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KARPOV ON TEST BAN, EUROMISSILE CURB PROSPECTS

PM151051 Moscow IZVESTIYA in Russian 13 Jun 87 Morning Edition p 6

[Interview with V.P. Karpov, chief of the USSR Foreign Ministry Administration for Problems of Arms Limitation and Disarmament, by A. Shalnev: "Disarmament: What Is Holding Things Up?"]

[Text] "A treaty on the total prohibition of nuclear weapon tests, were it to be concluded, would be a reliable guarantee of the nonresurgence of nuclear weapons," V.P. Karpov, chief of the USSR Foreign Ministry Administration for Problems of Arms Limitation and Disarmament, said in an interview for IZVESTIYA.

In response to a request for comment on the "Basic Provisions of a Treaty on the Total Prohibition of Nuclear Weapon Tests" -- the joint document recently submitted by a group of socialist countries to the Geneva Disarmament Conference -- he said.

"The struggle we are waging to end nuclear weapon tests is not something ad hoc. It is not a concession to our time but the long-term, consistent line of the Soviet leadership. The draft submitted in Geneva 9 June is a synthesis of all the discussions which have taken place within the framework of the Disarmament Conference, at UN General Assembly sessions, and in the course of our bilateral contacts with the United States and other countries. The views expressed by the members of the 'six-country initiative' have also been used. But this draft is not just the sum of other countries' proposals and of the Soviet Union's previous proposals. It is a new stage in the elaboration of a decision that could form the basis of a universal agreement to end nuclear tests.

"I will point particularly to the very direct link between the 'Basic Provisions' and the results of the recent Berlin conference of the Warsaw Pact states' Political Consultative Committee -- a conference which discussed a wide range of questions connected with the strengthening of international security, the nuclear disarmament process, the reduction of conventional arms, and the prohibition of chemical weapons. The question of ending nuclear tests is an important constituent part both of nuclear disarmament and of the system which is to replace nuclear weapons, the system of security in a nuclear-free world. A treaty on ending nuclear tests would guarantee the nonresurgence of nuclear weapons under conditions of nuclear disarmament. This is the thrust of our proposals for the future."

[Shalnev] What is new about the proposals submitted?

[Karpov] The chief thing is a clear-cut and consistent system of verification -- verification serving as a 100-percent guarantee no one would be able to violate the treaty, were it concluded. This system is ensured by a combination of three kinds of verification: national technical means, an international system of seismic verification, and on-site inspections. Inspection will be foolproof [bezotkaznyy]. If there are grounds for suspecting a nuclear explosion is being conducted on a particular state, then that state -- on being presented with a justified request -- will be obliged to receive an inspection group and give it an opportunity to conduct an inspection anywhere. The procedure for drawing up such requests will be elaborated.

[Shalnev] What could serve as grounds for suspicion?

[Karpov] Seismic data, observations from satellites.

[Shalnev] The White House lays down as one of the chief conditions for ratifying the 1974 and 1976 "threshold" treaties a requirement that an efficient verification system be set up. Regarding what is envisaged in the "Basic Provisions" submitted in Geneva, is it possible to expect speedy U.S. ratification of these treaties?

[Karpov] It is hard to say. The desire to delay a decision now clearly prevails in the U.S. stand on questions of verification. A number of artificial considerations are advanced as conditions. It is a question, for example, of Washington insisting on the need to use its Sortex verification system. Yet U.S. scientists themselves rejected that system as inefficient several years ago. According to our scientists' assessments, CORTEX could provide just an approximate picture of the yield of explosions with a margin of error of 30 percent either way: An explosion with a yield of 100 kilotons could be "read" both as an explosion with a yield of 70 kilotons and as an explosion with a yield of 130 kilotons. In addition, this system does not work at all with explosions with a yield of less than 50-70 kilotons. To cap it all, it requires colossal material expenditure. Therefore, I regard the Americans' persistence in the question of Cortex as a desire to delay ratification of the "threshold" treaties and, if we speak of the aim for the future, to hamper the elaboration of an agreed system to verify the ending of tests.

[Shalnev] Since we are speaking of verifying observance of agreements, I would like to ask you to comment on the recent THE WASHINGTON POST report that the CIA, the FBI, and the National Security Agency are demanding the White House exclude a number of military installations from those which may be inspected within the framework of realizing the agreements on reducing nuclear arms.

[Karpov] Yes, we have already encountered this at the Geneva talks on nuclear arms. The draft treaty on medium-range missiles submitted by the U.S. contains a number of blank spots regarding verification. The United States, for example, does not want to admit verifiers to production enterprises associated with medium-range missiles and is prepared to agree to verification only on the periphery of those enterprises, without allowing verifiers inside. The United States would like to exclude medium-range missile test ranges from verification by inspectors, as well as the procedure for reequipping Pershing-2 missiles as lesser-range missiles, as it proposes in its draft. It turns out that Washington goes into reverse when we ask the United States a practical question on a system of reliable verification and propose specific solutions involving inspectors. The question of verification at U.S. military bases where medium-range missiles are now or could be stationed is a particularly sensitive one for the United States. We see Washington is actively engaged in seeking "exclusions." This strikes us as a very dangerous tendency. We believe that an agreement on the elimination of nuclear weapons and, still more so, an agreement on their total elimination demands really reliable verification, including on-site inspection. We will stand firmly by this position.

[Shalnev] What are the prospects for reaching an agreement on medium-range missiles?

[Karpov] It is not only a question of verification here. The U.S. position contains other elements that hamper an agreement, although the foundations have already been laid for attaining a definitive accord. With intensive work a joint draft could be drawn up in 2-3 months. This is perfectly realistic. But, I repeat, there are number of elements in the U.S. position which complicate matters. [paragraph continues]

There is also a new factor: The FRG position announced 4 June by Chancellor Kohl. Its essence is as follows: Bonn supports the "double zero" in Europe but insists that the FRG keep not only the Pershing-1A missiles that belong to it but also the U.S. nuclear warheads for them. Since the FRG is a party to the Treaty on the Nonproliferation of Nuclear Weapons, the United States does not have the right to transfer to its control over its own nuclear weapons or nuclear explosive devices. Under Article II of that treaty the FRG pledged not to acquire control over such weapons. If Bonn demands its own control over the Pershing-1A warheads, how can this be squared with its pledges under the treaty?

The United States also finds itself in an incomprehensible position. It has declared that it supports the FRG decision and that the arms of third countries cannot be discussed at the Soviet-U.S. talks. It is not clear whether the United States regards the nuclear warheads which it owns in the FRG as arms of third countries. If it does, the warheads are not under U.S. control but under FRG control, which is a violation of the pledges both Washington and Bonn adopted under the Nonproliferation Treaty. If it does not, this means the warheads must be destroyed along with all the other Soviet and U.S. warheads for medium-range and operational and tactical missiles in Europe. The United States must seriously weigh the adverse consequences with which its intention to keep in Europe a certain proportion of the warheads for operational and tactical missiles could be fraught. Let us discuss: If the United States keeps warheads in the FRG, will it not then want them in Italy, the Netherlands, and Britain? On the other hand, let us imagine that the CSSR and GDR Governments turn to the Soviet Union and say: There is no need to withdraw SS-12 missiles from our territory, just transfer them to us and station the warheads for them just nearby... The exact opposite of what we are now trying to agree on will happen: the preservation and buildup of missiles of this class, instead of their elimination.

BESSMERTNYKH, ROWNY COMMENT ON SOCHI CONFERENCE

PM150827 Moscow IZVESTIYA in Russian 12 Jun 87 Morning Edition p 4

[Dispatch by own special correspondent A. Ivanko: "Security Must Be All-Embracing"]

[Text] Sochi -- A meeting of experts conducted as part of the UN-sponsored world disarmament campaign has ended in Sochi's Dagomys hotel complex. For 4 days representatives of 25 countries discussed current vital problems. Reports were delivered to the meeting by A. Bessmertnykh, USSR deputy foreign minister, and Ambassador Edward Rowny, special adviser to the president and secretary of state on arms control matters.

Edward Rowny: We approach such conferences with great interest, since these meetings provide the opportunity to present one's own country's stance to participants. The United States favors arms control and arms reduction. Nevertheless, I want to draw attention to the importance of those fundamental problems from which all the rest ensue. I think it is essential to secure a situation where all agreements signed are observed. As President Reagan said, people do not distrust one another because they are armed; they are armed because they do not trust one another. Therefore, as I have already said, although we all recognize the importance of arms control, we also deem it essential to focus attention on three pillars of our relations. The first is regional questions. That is to say, Afghanistan, Ethiopia, Cambodia, and Nicaragua. Then there are questions of bilateral relations between our countries -- the opening of consultations and exchanges among people. The third and very important question is that of human rights. Until human rights are universally respected and observed the dignity of individuals will not be ensured. [paragraph continues]

The problem of arms control has its own place in the context of these questions. Of course we favor an agreement on medium-range missiles. But attention should not be paid exclusively to that. We are fully in accord with Mr Gorbachev. He has also spoken about the importance of reducing strategic systems, and we indeed advocate a 50-percent reduction. It is also essential to solve the problem of conventional arms and chemical weapons. We favor a broad approach -- it ensures not only the conclusion of agreements but their observance.

A. Bessmertnykh: During the meeting we have already touched on certain nerve centers of the problems of arms limitation and reduction. Is there something new and common in the experts' approach to the central problems of arms limitation? The vast majority of participants think that new approaches are now essential, that this gives us the opportunity to find compromises an mutually satisfactory solutions. Moreover, almost everyone is agreed that Reykjavik was an important landmark in our understanding of existing problems and the search for possible solutions. Many experts are taking a new look at the problem of security. Security was previously regarded as one of the most self-interested problems of state policy. Echoes of that stance were heard at the meeting. This applies particularly to Mr Rowny's speech. Nevertheless, most participants said security is becoming all-embracing, and this is a significant sign of the new approach to the problem of security. I venture to disagree with the way that Mr Rowny set out the priorities. He put regional questions first, then bilateral relations and human rights, and only then disarmament. You get the impression the U.S. experts are trying to place to the fore problems which have nothing to do with the meeting to avoid discussion of certain fundamental questions of disarmament.

Strategic offensive armaments are a current, fundamental problem. But the problem of strategic nuclear armaments cannot be solved without strengthening the terms of the ABM Treaty.

Question: The United States constantly links an accord in the arms control sphere with other problems, particularly the observance of human rights in the Soviet Union. Congress is conducting hearings on this issue, but Soviet people, after all, have serious complaints regarding the observance of human rights in the United States.

A. Bessmertnykh: Questions concerning human rights in the United States undoubtedly concern Soviet people. Human rights violations in the United States -- and this is acknowledged by the Americans themselves -- are truly blatant. Soviet people voice their indignation at the current civil rights situation in the United States. But there is something I want to say. We recognize the importance of all these questions and put them to the U.S. side. True, so far they have not given any convincing answers. All right, we could wait, but from the arms limitation standpoint this waiting for answers from the U.S. worries me. If we committed ourselves to Rowny's conception, it turns out we should have to wait until all the problems of the homeless and the unemployed in the United States were solved before switching to questions of nuclear arms reductions. As I understand it, General, you cannot promise us to solve these questions within 5 years. I do not think the fate of disarmament should be made dependent on solving the problems of human rights anywhere.

E. Rowny: We agree the solution of one problem should not be linked with the solution of others -- there is an enormous number of them, but they are particularly important. No one disputes the fact there are unemployed and homeless people in the United States, and this disturbs us profoundly, but we are still more worried by the fact that some people in the United States, and this disturbs us profoundly, but we are still more worried by the fact that some people are denied the opportunity to leave their country and are denied the most fundamental human rights. [paragraph continues]

Yes, let us solve the problem of disarmament, but do not forget about human rights, bilateral problems, or regional problems. [Rowny ends]

...The discussion was sometimes stormy, sometimes calm. However, most participants at the meeting sought joint ways to solve the very complex questions of disarmament.

The results of the meeting have been summarized. Its participants, however, are continuing to discuss the problems raised there. We want to end this report with the words of G. Borovik, chairman of the Soviet Committee for the Defense of Peace: "Even during the most pointed discussion we have remained partners. Since contact and exchange of opinion are essential preconditions in the nuclear age."

NATO IN 'DISARRAY' OVER RESPONSE TO INITIATIVES

LD052247 Moscow Television Service in Russian 1700 GMT 5 Jun 87

[From the "Vremya" newscast; video interview with Yuriy Kashlev, head of the Soviet delegation at Vienna follow-up meeting, by unidentified station correspondent, in Vienna on 5 June -- live or recorded]

[Text] At the plenary session of the all-European meeting in Vienna, Comrade Kashlev, head of the USSR delegation, spoke today. He called on Western participants to get on with it and give up their tactic of dragging their feet over agreeing possible accords. Interviewed by our correspondent, Comrade Kashlev said, among other things: [Video: Brief shot of meeting in session, then interview with Kashlev standing in room or foyer as other officials move about informally in background]

[Kashlev] The situation here is a mixed one. On the one hand there is a very strong sense of the influence of the Soviet Union's foreign policy initiatives; we have, for instance, the recent Berlin meeting of the Political Consultative Committee, and here at the Vienna meeting itself the socialist countries have submitted more than 10 proposals on matters concerning military security. On the other hand there is a kind of disarray, of confusion, which evidently derives from the position common to the NATO countries which are quite unable to determine fitting responses to our initiatives. Yet here, at least, at the Vienna meeting itself, the Western participants have not submitted a single proposal on military security. They are trying to sidestep this subject, to pass over it in silence, and thereby cut short the all-European process.

Alongside the all-European meeting there are consultations taking place here too among the 23 countries of the Warsaw Pact and NATO on conventional weapons and armed forces. Here too, the situation is not what one might call even. We have long since set out our ideas about the mandate: We are pushing for truly radical and real reductions in armed forces, in conventional weapons, and in tactical nuclear weapons. But the Western countries are as yet avoiding giving a response. All the same, we are continuing the struggle, for ours is, so to speak, a just cause.

WEEKLY 'INTERNATIONAL OBSERVERS ROUNDTABLE'

LD142034 Moscow Domestic Service in Russian 1130 GMT 14 Jun 87

["International Observers Roundtable" program with Nikolay Ivanovich Yefimov, first deputy editor-in-chief of IZVESTIYA; Georgiy Aleksandrovich Kuznetsov, first deputy editor-in-chief of ZA RUBEZHOM; and Vitaliy Sergeyevich Sobolev, All-Union Radio commentator]

[Text] [Sobolev] Hello, comrades. In summer the pace of international life usually slackens: events thin out, people are in a holiday mood, parliaments disperse for the summer recess, and so on. But the past week has not confirmed that rule at all. It's too soon for those concerned with foreign policy to start thinking of their vacations, and as has commonly been the case, especially in recent years, the tone has been set by the external political actions of the Soviet Union and of the socialist countries. Judging by comments published abroad, I'd even say that our fraternal countries have in a way spoiled world public opinion somewhat.

It has become customary to hear news from Moscow of sensational new initiatives at regular intervals. But this persistence in putting the new political thinking into effect is bearing fruit. Of course our efforts are not being overlooked. For instance, the U.S. journal BULLETIN OF ATOMIC SCIENTISTS has taken the trouble to count, and found that in the last 2 years the Soviet Union has undertaken 25 serious steps, mainly unilateral and unreciprocated — meaning unreciprocated on the part of official circles in the West, but not without public response. The journal notes that these have often been steps to meet halfway the positions of the United States and its allies, who, for their part, have taken relatively few corresponding steps.

In general, the journal makes a favorable analysis of Soviet political flexibility and deplors the measures by which previous accords have been, or will be, broken. In recent days the socialist countries and the Soviet Union have put forward a number of further initiatives, dealing with among other things the question of a universal and total ban on nuclear tests. Well, we know — and it is obvious — that it is sensible to begin stopping the nuclear arms race in this particular way. The Soviet moratorium on nuclear explosions is fresh in everyone's mind. Now the Soviet Union is once again displaying political flexibility regarding limiting nuclear tests to a kilotonne in yield and to conducting two or three a year; and also in the matter of verification [proverka] of the observance of these limits.

[Kuznetsov] We should mention this is fully in accord with the wishes of the U.S. Congress, because both the Senate and the House of Representatives have passed a resolution to restrict nuclear tests to a kilotonne. Consequently, it is now solely and entirely up to the Reagan administration.

[Yefimov] I'd like to draw listeners' attention to two of our initiatives that were put forward 2 weeks ago...

[Sobolev, interrupting] And which are still being discussed and commented on in the world.

[Yefimov] Yes, still. As you remember, 2 weeks ago in Berlin, the Warsaw Pact countries adopted a very important document, on military doctrine. That document not only sets out fundamental propositions on this problem, this very important problem, but also puts two exceedingly important proposals to the Western countries.

First, the participants of the Warsaw Pact and the members of NATO are invited to hold consultations for the purpose of collating the military doctrines of the two alliances and jointly examining the direction of their development and evolution to remove the distrust that has been building up. The distrust is considerable and has often been the result of ignorance. So it was proposed that we should, if not solve this problem altogether, then at least begin moving toward a solution. Second, it was suggested that we should examine, at those consultations, the imbalances and asymmetries in particular types of arms and armed forces...

[Sobolev, interrupting] ...which the West says it's very worried about.

[Yefimov] ...Examine these asymmetries with the following objective before us: to work out ways of removing those imbalances and thus reduce the surplus of whoever is ahead and establish an even lower level of these arms on both sides. The Western leaders have indeed talked a lot in the past, and talk a great deal at present, about the supposedly overwhelming superiority of the Warsaw Pact countries in particular types of arms. It would seem that the Western countries, if we are to believe what they say, should be eager to take us up on that. This past week we are reviewing has given the West a great opportunity to consider the question and give us an answer.

[Sobolev] You're thinking mainly of Venice?

[Yefimov] Yes, above all Venice, where the leaders of the seven leading countries of the West -- mostly they were the NATO countries -- even issued a special statement on relations between the countries of East and West. Alas, the seven passed over both proposals in total -- I stress, total -- silence. Why? Is it that they don't know what answer to give, and don't want clarity and definitude on this point that is so important to them? Or is it to their advantage that matters should remain unclear?

[Sobolev, interrupted] ...advantageous to exploit the vagueness for propaganda purposes.

[Yefimov] In any case, Venice gave no answer to these proposals.

[Sobolev] And neither did the NATO Council -- that is, the conference of foreign ministers of that bloc that was held at the end of the week in Reykjavik.

[Yefimov] In Reykjavik, the NATO foreign ministers talked about the superiority of the Warsaw Pact countries in conventional arms, chemical and nuclear weapons, and so on.

[Kuznetsov] So one wonders what's the matter: On the one hand they raise the alarm, and on the other hand they do nothing to extinguish its cause. In passing, I want to remind you of a date: 15 June is the 5th anniversary of the Soviet Union's official undertaking, given at the second extraordinary session of the UN General Assembly on disarmament, not to be the first to use nuclear weapons. Incidentally, this proposal, important in itself, was developed by the Warsaw Pact states when they submitted their proposal, addressed to the NATO countries, for a treaty that would renounce not only first use of nuclear weapons, but also the use of conventional weapons -- in other words, a nonaggression pact.

This again is a document that would exclude the possibility of a military conflict; and they also rejected this treaty on the pretext that it was only a piece of paper, as if all treaties were not paper, in the strict sense of the word. Yet on the other hand, if all treaties are observed, then why would this particular one not be?

[Yefimov] Well, that undertaking, by the way, that we took at the extraordinary session of the UN General Assembly, has now been included in the military doctrine of the Warsaw Pact countries. But, I repeat, neither Venice nor Reykjavik has given an answer to the Soviet proposals. There are none so deaf as those who will not hear.

[Sobolev] And yet all the same, I'd like to note here a few signs -- though not very clear so far -- that the new political thinking on which the socialist countries base their position is meeting with some response among Western ruling circles, signs they are interested in such thinking. I have in mind the declaration by those who took part in the meeting of the leaders of the seven leading countries of the capitalist world in Venice. Interestingly, although the meeting was traditionally described as economic, economic questions took a back seat and it was documents of a political nature -- on terrorism, the Gulf, and East-West relations -- that were in the forefront. This latest declaration speaks of potential for progress in those relations and hopes for improvement in political and economic relations, and also in relations in the sphere of security, between the countries of East and West. Of course, these words are still quite vague, and are almost lost in the welter of calls for vigilance and oaths of allegiance to common ideals, principles and aims, notably the principle of nuclear deterrence. But still, the big seven, as it's called, has seen fit to note changes for the better and prospects for further improvement in relations between the two still opposing groups. Britain's Prime Minister Thatcher, who was hurrying home for the parliamentary election, found it necessary to go out of her way to emphasize that she approves of the reforms in the Soviet Union. Western journalists drew attention to the way the leader of the British Conservatives tried to use the meeting in the interests of her election campaign. That phrase was, of course, mainly for the benefit of her own voters, but I think we can also take note of it.

[Kuznetsov] You know, while on the subject of the voters: They talk about the big seven who've been in session in Venice. But I'd say there was another, invisible, participant, namely world and European public opinion, which, as many recent polls show, thinks very highly of the Soviet peace initiatives and will have an effect, in one way or another, on the minds of the politicians.

The poll that has created the biggest stir is one carried out for all of Europe by the Swedish paper DAGENS NYHETER. This poll shows that Soviet policy is indeed very well regarded, since 51 percent of the respondents in Europe as a whole expressed a positive view of the course of the USSR in providing for peace and security, and disarmament naturally, while only 18 percent reacted negatively. But you must not forget that the poll was carried out not among the progressively-minded public; on the contrary, they polled all strata so as to obtain a wide spectrum of opinion.

[Sobolev] Georgiy Aleksandrovich, the results of that poll set off a whole avalanche of others: the rightwingers were worried, for instance, so they tried to check and double check the result, and reached a very sad conclusion from their point of view. Altogether, you can say that something amounting almost to a new political phenomenon has taken shape quite clearly this week, and in Washington and the other Western capitals they're very upset about it.

[Yefimov] Yes, I agree with that. Indeed, Reagan has even let slip the remark that the respondents will see the light, that they'll soon come to their senses. But some West European observers are saying it's time they woke up in Washington.

[Sobolev] What they're annoyed about, if I may say so, is that the majority now have more confidence in Soviet foreign policy; it seems more peace-loving and more loyal to treaties than does U.S. policy. The latest research shows people in West Europe express greater confidence in Moscow than in the Reagan administration. Most believe Moscow is more concerned about preservation than Reagan is. Three-fifths of West Germans think that in the future their government should cooperate not only with the United States, but also equally with the Soviet Union. They see not military strength, but the strength of reason. This makes a big impression in Europe, where not only nuclear war, but even conventional war is unthinkable. I've been to West Germany, and there from one town, you can see the next. War is simply unthinkable. Therefore, this policy is of course in the interests of the Soviet Union and Soviet people, but it is equally — and they also feel this — in their interests.

[Kuznetsov] You know, I've also had personal experience of this. I've just come back from Greece, where I took part in the Peace Week dedicated to the anniversary of the death of the outstanding peace campaigner, (Grigori Solombrakis). I must tell you I was present at very many meetings, and typically, whenever the peace initiatives of the Soviet Union were mentioned, there was tumultuous applause from the audience. To be honest, this made an enormous impression on me emotionally. A municipal councillor from the ancient Greek city of Delphi said to me, why are you surprised? After all, people see that while Gorbachev puts forward one peace proposal after another, Reagan is preparing for Star Wars. They see where the danger is coming from and they understand who is bringing them peace.

[Sobolev, interrupting] ...though great obstacles are being put in the way of their understanding that. Just at this time, an utterly shameless campaign has been mounted over the supposed theft of secrets -- which no one wanted -- concerning the Ariane rocket, and the Soviet citizen Varygina-Verdier was arrested. The case has collapsed, bringing them nothing but shame and may now even boomerang back at them.

[Yefimov] You know, when I was in the FRG in Cologne, I had a meeting with the editor-in-chief of a very conservative newspaper. He told me something that I think gives one a very good idea of the atmosphere now developing in Western Europe. He said that 4 or 5 years ago there was nothing to stop him from publishing positive material about the Soviet Union, but he didn't publish it. Why not? Because he was afraid that if he did, some of his readers -- a substantial number, he said -- would cancel their subscriptions. But now, he told me, he's not afraid of that. He's begun publishing such material, and reactions have been wholly favorable. Why? Because the climate is changing.

Here's another instance. In a conversation with the mayor of Stuttgart -- a large city, the capital of Baden-Wurtemberg, which is the third-largest land in the FRG, the mayor is called Manfred Rommel, the son of the field marshal and a member of the ruling CDU -- he told me: We are following with enormous interest what is happening in the Soviet Union. Your policy of restructuring, democratization, criticism, and openness, which you are carrying out, is making a very great impression. He said, I understand that this policy cannot fail to make the Soviet Union stronger economically, spiritually, politically and so on; but personally, I'm not afraid of that, because fear of the Soviet Union is receding.

This is because your initiatives and actions are not only paving a way to our hearts, but also they are convincing us that you are pursuing a sincere, honest, and very reasonable policy.

He also told us that the government of that land, and he personally, even though he belongs to the CDU, have insisted on this, and have conveyed their opinion to the FRG Government -- their opinion that it should accept the Soviet Union's two proposals on eliminating medium-range missiles and operational and tactical missiles in Europe.

Well, evidently the opinion of officials like Mayor Rommel, and of the public at large, is naturally having its effect on the statesmen and this has been reflected in the declaration of the seven on East-West relations. Yet the members of the seven supported the U.S. stance at the talks. The U.S. position is based on the premise that was expressed loudly by Chancellor Kohl when he gave his consent to the so-called double zero option, that is, that 72 Pershing missiles, the carriers for which belong to the Bundeswehr and the warheads to the United States, should not be taken into account at the talks.

[Sobolov] That same decision was confirmed in Reykjavik by the NATO Council.

[Kuznetsov] Yes, in other words this was confirmed nonpublicly in Venice and the same thing was confirmed in Reykjavik by the NATO Council. But this does in fact amount to a very serious obstacle to achieving an accord. President Reagan said in Venice, yes, we can reach agreement this year. But if the Americans are going to put such obstacles in the way, then really the whole problem becomes a lot more difficult. It was no accident that Mikhail Sergeyevich Gorbachev, replying to the leaders of Argentina, Greece, India, Mexico, Tanzania, and Sweden -- to their joint statement -- spoke of the nervousness with which some people in the West have received our initiative; and of the fact that there are difficulties that cause us to doubt whether the West is interested in the total elimination of medium-range missiles in the European zone.

[Yefimov] In other words, the old way of thinking persists and it is still quite firmly fixed in their heads.

[Sobolov] Yes, and it is quite firmly fixed in the heads of the public, including those of Western Europe. Here we have to embark on another aspect of their mood. There is, for example, the continuing drift toward the right. An example of that is the election that has just been held in Britain, in which the conservatives scored a triumphant victory, as Prime Minister Thatcher herself put it.

[Yefimov] Well, I'd take issue with you about the drift to the right. In the first place...

[Sobolev, interrupting] ...and I'd take issue about the triumph.

[Yefimov] In the first place, they won, and by a wide margin, that's not in dispute, and the newspapers have given the figures...

[Kuznetsov, interrupting] They got 43 percent of the vote.

[Yefimov] That's the first point. But still they got less than in the previous election and Labor got more. In the second place, 57 percent of the electorate voted against the Tories, for the opposition parties.

[Kuznetsov] That's just what I...

[Yefimov, interrupting] Even if that's a triumph, in any event it's not the triumph they were evidently expecting. Thirdly and finally, Mrs Thatcher repeatedly -- and not only Thatcher, but also many prominent Conservatives -- said in the course of the election campaign that their aim was to destroy the socialist party, that is the Labor Party, in Britain, so there would be nothing left of socialism and the right would indeed take over once and for all. However, labor has emerged stronger and, as many of the British papers are now noting, Kinnock's election campaign was more successful and better managed, and it is no accident, by the way, that Mrs Thatcher refused to face the British voters in a direct television confrontation with him.

[Sobolev] Yes, she said, I don't want to give you a platform.

[Yefimov] Yes, she was afraid on many issues he would be seen as stronger and preferable.

[Sobolev] Thatcher did, of course, carry out a cunning election campaign. And on the other hand, of course, one must say that there were certain weaknesses in Kinnock's campaign. He'd recently begun saying that yes, of course, the money we'll save on nuclear weapons will not be spent on remedying the housing shortage or on health, which is the worst in Western Europe. There have been reports recently that people are having to wait 4 years for urgent hospital treatment -- that's when it's urgent! And so on. The Labor Party did fall down in certain respects.

[Yefimov] Another event occurred last week that was less significant than the conference of the seven or the British elections. Last week saw the end of the first round of the Irangate hearings in the special committees of the U.S. Congress. They've lasted 6 weeks and will be resuming next month after a short break. Here is the opinion of THE WASHINGTON POST observer, Johnson. He writes: What has been discovered in 6 weeks of hearings represents a scandal at the White House of historic proportions. In the extent of the law-breaking, it vies with Richard Nixon's Watergate. The Iran-Contra affair has been revealed as a serious attempt at a cover-up undertaken after lengthy and thorough attempts to evade the letter and spirit of the law and the will of congress. When their illegal actions began to come to light, U.S. officials lied, destroyed evidence, entered into a conspiracy of silence, and thus hindered the course of justice. A repulsive story of profiteering and corruption has unfolded before Congress and the public.

[Sobolev] I think there is another incident we should say something about today because it is of some importance from the point of view of international relations, including East-West relations. Concern is being expressed in West Germany, for instance, that those relations could be adversely affected by the violation of Soviet airspace by the FRG citizen, Rust. That violation has brought forth an abundant spate of materials from the Western news media. There have been the inevitable jibes. But even those of a waspish disposition admit that similar things have happened in the West. For example, the United States has a highly-developed air defense system, with the warning and control aircraft known as AWACS, but it is still far from being able to detect all planes on which smugglers bring drugs into the country.

The main point about the Rust incident, however, is that it has forced us to think again about the imperfection of even the most advanced technology and the fact that we cannot just hand over to technology something as vitally important as security.

I don't know with what purpose Rust flew to Moscow, but among other things, his flight has struck a blow at the adherents of, for example, the Star Wars program, and of the accumulation of military technology generally. This is apparent from many commentaries in the Western press.

[Yefimov] Listeners ask, what is now happening to Mathias Rust? After he landed in the vicinity [as heard] of Red Square, he was taken into custody. His case is being investigated in accordance with Soviet criminal law. The FRG defense Minister, Manfred Woerner, has said, if I were in the Russians' shoes, I' try him, and then send him straight home. Under FRG law, Rust's actions would attract fairly severe punishment. What the investigation is seeking to establish is this: Was the flight a lone adventure, or were there influential forces behind it? And what forces? Rust's unauthorized flight across the border could have ended very tragically for him. And it's possible that that is the outcome on which those who prepared him for his prank were counting. That would have been put into the hands of the opponents of detente a pretext for stirring up public opinion in the West, blocking the Geneva talks, and God knows what else.

[Sobolev] Well, yes such actions were undertaken more than once...

[Kuznetsov, interrupting] ...used to happen in the past...

[Sobolev, interrupting] ...when some sort of agreement was maturing.

[Yefimov] Such conjectures have been expressed by many FRG newspapers, but let us not run ahead of the investigation. It is going on, and as the representative of the USSR Ministry of Foreign Affairs said a few days ago, Rust has not a single objection to the course of the investigation, or to the conditions under which he is being kept. However, there is already an objection to Rust himself which the Finns have expressed. In their opinion, Rust intentionally misled Finnish authorities and the search services. Immediately after the disappearance of Rust's plane was reported, writes HELSINGIN SANOMAT, the search operations began. In the course of the search operations near the shore, an oil patch was discovered on the Gulf's surface. The authorities' representatives believe that Rust dropped into the sea in that location a certain quantity of gasoline or oil to divert the attention of the search services. On 28 May, helicopters, divers, vessels of the Finnish Navy and rescue services were involved in the search for the lost plane. This operation cost Finland about 100,000 marks. According to the newspaper report, the authorities intend to carry out an attempt to recover this money from the offender.

[Sovolev] We have already mentioned today that in Venice other questions other than on economic issues were discussed. At the same time in Pyongyang, the nonaligned countries talked about their problems including the unjust international economic system, the growing foreign indebtedness and so on; and these two conferences had certain elements in common. They are: the relationship between the industrial North and the developing South. The root of many economic problems of the developing countries is the unsettled relationship of these two groups. The problem of foreign indebtedness is more and more assuming the nature of a crisis. I would like to draw attention to it for the following reasons:

Lying in wait for mankind in its historical development are such dangers as a nuclear catastrophe, an ecological catastrophe, a viral catastrophe is already beginning to take shape. Also, a great danger is posed by backwardness and underdevelopment, which for the time being, is unfortunately on the increase in the developing world. Foreign indebtedness is depriving the developing countries of their last hopes for deliverance from this evil. This is a very serious factor of instability and its significance is growing as time goes on.

Some indebted countries, having reached a desperate position, are limiting their payments on their foreign debt or stopping payments altogether. Their creditors immediately begin to undertake countermeasures. For example, when Brazil declared a moratorium on the interest payments to its foreign debt, a campaign for the destabilization of that country began. Moreover, President Sarney has expressed the opinion, which was published in the newspaper CORREIO BRAZILIENSE, that the initiators of this campaign were the creditors themselves.

[Kuznetsov] It must be added that Brazil is not the only country that has said it cannot continue to pay. The Ivory Coast also has to pay interest this year amounting to \$1.8 billion.

[Sobolev] The problem of foreign debt is multifaceted. Here I would like to draw attention to the new political and social role of creditors, to the role of the money-lender, which has recently been acquiring an extraordinary force and power. In particular, Brazil's Minister of Finance Funaro was forced to resign. The creditors demand from Brazil that it accept, to ensure meeting credit payments, an economic plan, which in the belief of the Brazilian economists and political leaders will lead to a decline in the economy and to a sharp aggravation of social problems.

In addition, the creditors want to turn a part of the debt, in the first instance the sum of \$35 million is quoted, into investments -- in other words to acquire for that money a good part of the Brazilian economy. Now, the direct foreign capital investments in Brazil total \$26 billion and even as early as the seventies these investments ensured control over a third of Brazilian industry. Can you imagine the consequences if these investments were to increase 2 and 1/2 times? This is only in the beginning, because the whole debt has already reached over \$110 billion. In other words, the creditors just want to put Brazil under the hammer.

In addition, this will not bring relief to the country's foreign currency situation, because the profit from foreign investment must also be paid in foreign currency and transferred abroad. The situation in the Brazilian economy is now already being officially referred to as a crisis and very stormy processes are taking place in the country's political life. There are reasons for fearing that all this is only a precursor of the storms that can be caused by the problem of indebtedness.

In general terms, the solution to the problem is obvious: to reduce the interest, limit payments, and create more just conditions for the developed countries in their economic relations with the developed partners. However, as the meeting in Venice showed, these partners are not disposed to manifest common sense and foresight, not to mention charity. Once again, there was discussion that it is very important that the International Monetary Fund foist its policies and recommendations on the indebted countries, in other words that it practically violate the sovereignty of many developing countries.

In connection with this, the importance of the document which the socialist countries have put forward, published exactly last week, concerning the overcoming of underdevelopment and establishing a new international economic system, should be underlined. Concern for the present and the future of mankind once again finds expression there. It is the sort of new political thinking without which history can easily find itself in a dead end.

We end our program here comrades, thank you for your attention.

INDIAN MINISTER TIWARI ON PYONGYANG MEETING

LD151411 Moscow TASS in English 1140 GMT 15 Jun 87

[Text] Pyongyang June 15 TASS -- "There is a direct connection (which the participants in the Non-Aligned Movement have always pointed out) between peace, disarmament and development", stated Narayan Dutt Tiwari, Indian minister of external affairs.

The Indian statesman, who attended the recently-concluded extraordinary conference of non-aligned countries on South-South cooperation, emphasized in an interview with TASS correspondent Aleksandr Zhebin that favourable development was possible only in an atmosphere of peace and cooperation.

"India", Narayan Dutt Tiwari said, "actively advocates the convocation of an international conference on interconnection between disarmament and development. We are convinced that by drawing the attention of the whole world to the tremendous squandering of resources in the arms race, the forum will make it possible to establish a machinery by means of which the resources released as a result of disarmament would be channeled into uses for the economic growth of the developing countries".

The Indian minister of external affairs supported the document "on overcoming underdevelopment and establishing a new international economic order" which had been recently adopted in Berlin by the leaders of socialist countries.

"We think the idea expressed in the document that the progress of the developing countries is of immense importance for ensuring economic and political security and peace throughout the world is important", he emphasized.

Narayan Dutt Tiwari voiced hope for expansion of cooperation and exchanges between India and the Soviet Union were a good example of how two countries with different socio-economic systems and different development levels can maintain mutually beneficial cooperation.

"I can say with confidence", the minister emphasized, "that Soviet-Indian cooperation may be viewed as a model for other countries. Prospects for expanding it are immense, since our relations are based on the principles of friendship, equality and mutual benefit".

The India minister of external affairs gave a high appraisal of the results of the non-aligned countries' extraordinary conference in Pyongyang on South-South cooperation, pointing out that this was the first such forum in the history of the Non-Aligned Movement.

REAGAN'S SPEECH USES 'CRUDE ANTI-SOVIET ATTACKS'

LD160723 Moscow TASS International Service in Russian 0630 GMT 16 Jun 87

[Text] Washington, 16 Jun (TASS) -- U.S. President Reagan delivered on Monday a statement on television on the results of the conference of the seven leading capitalist countries in Venice and the NATO Council session at foreign minister level which was held to follow up the meeting in Reykjavik. The President tried to present the Venice meeting as a "success," which does not correspond to the assessments of economists and the press in the West. The communique adopted in Venice, ASSOCIATED PRESS stresses in particular, "contains hazy promises but no specific steps aimed at preventing the growing threat of a new decline in the economy."

The President let it be clearly known that Washington does not intend to change the course it has taken on increasing its interference in the Persian Gulf. According to Reagan's claim, U.S. allies have given their support to this policy of the United States, which contradicts the facts. All the observers, including the informed U.S. NEWS AND WORLD REPORT, have unanimously noted that the head of the White House did not succeed in obtaining the consent of the allies to adopt real measures supporting the administration's policy of stirring up tension in the Persian Gulf by building up the U.S. Navy and using unconcealed threats against the countries of the region.

With reference to the meeting of NATO ministers and the Soviet-U.S. talks on medium-range missiles in Europe, Reagan stated that the United States and its allies "had achieved complete agreement" regarding the U.S. position at the talks, which, in his words, "are capable of leading to the conclusion of a historic treaty on reducing medium-range missiles." The President announced that the United States intends to present "a new proposal" in Geneva on the "global elimination of all U.S. and Soviet operational and tactical missiles, along with a deep reduction in, and ultimately, we hope, the elimination, too, of medium-range missiles."

Reagan, however, passed over in silence the question of U.S. nuclear warheads for Pershing-1A operational and tactical missiles which are the armoury of the West German Bundeswehr.

The U.S. President's speech contained a number of crude anti-Soviet attacks.

SHEFTUNOV ON 'DISAPPOINTING' LACK OF SUPPORT

NC151122 Moscow in Persian to Iran 1800 GMT 14 Jun 87

[Igor Sheftunov commentary]

[Excerpts] Esteemed listeners, greetings to you. The leaders of seven industrial nations congregated in Venice last week, at what was described by THE NEW YORK TIMES as a most disappointing summit. The fact is that in most respects the summit was indeed disappointing, as the expectations of U.S. militaristic circles were not fulfilled. For example, the United States overtly endeavored to lobby for maximum support for its adventurism in the Persian Gulf. A White House employee confidently declared that the modus operandi for striking a punitive blow at Iran would be finalized at the session.

Another White House employee endorsed his colleague's utterances and stated that the U.S. Government intended to enlist approval for its plan for a collective preemptive attack on Iran, similar to its aerial attack on Libya, and to implement this plan. However, it can be deduced from the Venice resolution Venice on the Persian Gulf situation that the allies of the U.S. abstained from supporting the plan for combined punitive military action against Iran, or at least refrained from overtly supporting it. Italian President Fanfani said: It is for the United Nations, not for us, to decide on the problems of the Persian Gulf. We are not Marines.

The reason for the U.S. allies' unwillingness to join in the adventures planned for the Persian Gulf is quite simple. It has become clear, with the passage of time, that participation in such escapades has had unfortunate repercussions for U.S. allies as well as for the U.S. Government itself. Seven years ago, the leaders of the same seven capitalist nations met at their annual session in the same city of Venice, and were forced to agree that the collective economic embargo of Iran, in which they had participated under pressure from the U.S. Government, had met with utter defeat. At that time the nascent Iranian republic, which had emerged from the chrysalis of the revolutionary masses' fervor, displayed an appropriate reaction in the face of such imperialistic duress. The latter made productive use of these, and expanded its economic ties with socialist and developing countries on the basis of equality.

Thanks to this course of action, the Islamic Republic was successful in thwarting the efforts of the Western and Japanese Governments, which sought to strangle Iran by an economic embargo. At that time, seven great capitalist countries were forced to admit that the U.S. act of military adventurism, to which it had resorted on the eve of the session by landing commandos at Tabas, had met with humiliating defeat. Of course, the ultimate objective was the staging of a military coup in Iran, which would have resulted in bringing to power a regime subservient to Washington.

Following this abortive adventure, Washington and its allies decided they should content themselves with launching a regional war in the Persian Gulf and dragging Iran into it. This was aimed at weakening and isolating Iran, and in this manner the Iran-Iraq conflagration was ignited. With immense perseverance Washington continues to fan the flames of this war, year by year, and is optimistic that it will be able to drive Iran increasingly deeper into the quagmire. It knows that during the shah's era Iran was armed by the U.S. war department, the Pentagon, and that it would once again extend its hand toward U.S. military echelons. This is exactly what happened. Colonel McFarlane and Lieutenant Colonel North were sent on a clandestine mission to Iran. [passage omitted]

At present the U.S. Government has stepped up its preparations for overt military intervention in the Persian Gulf and is boosting its military presence in the region. However, Washington failed to obtain any military support from the participants at this Venice summit. Despite this setback, U.S. militaristic circles continue their policy of exacerbating tension in the Persian Gulf region. [passage omitted]

In one of its commentaries on the outcome of the Venice summit, the British daily the GUARDIAN stated that the Western leaders admitted that the time had come to reassess the situation. In my view, the time came a long while ago. It is only the U.S. Government that has not comprehended this reality, as is proved by its actions in the Persian Gulf. Dear listeners, I thank you for listening to my opinions. Bidding you farewell until next time, I pray for your success and prosperity.

TASS NOTES SIMILARITIES BETWEEN WATERGATE, IRANGATE

LD151950 Moscow TASS in English 1743 GMT 15 Jun 87

[Text] Moscow June 15 TASS — TASS commentator Sergey Rogovtsev writes:

Many people in the USA now recall the Watergate scandal which broke out 15 years ago, in June 1972. An unsavoury picture of Washington's mores was then revealed to the U.S. and world public. It involved political spying with sending agents to infiltrate the rival party, the tapping of telephone conversation, fabrication of false rumours, financial abuse during the election campaign and concealment of the truth during the investigation. It is well known how that scandal ended.

What has changed since that time in the top echelons of the U.S. Administration? The very name of the scandal that is shaking the White House shows that history is repeating itself. The new scandal involves sordid machinations of high officials of the administration. Details of the violation of U.S. law by executive power come to light again. Evidence is destroyed, investigation obstructed.

The attention of the U.S. press is mainly rivited to the question: did or didn't the president know of the perpetrated lawlessness and how active was his personal role in the Irangate. It is asserted that while Nixon has not been spared, Reagan is being taken from under the fire.

But there is a common feature in the Watergate and Irangate of which the U.S. media prefer to keep silent. The matter is that rabid, "certified" anti-communists were the masterminds of both scandals.

Watergate burglars took part in preparing the invasion of Cuba in 1961, were linked with the Cuban counter-revolutionary organizations, with the CIA and the FBI. A certain Liddy who had been instructing them was former employee of the Federal Bureau of Investigation.

Those involved in the Irangate have much in common with them. Lieutenant-Colonel North, the main player in the Irangate, put in a spell in Vietnam. American aviator Hasenfus whose plane was downed by fighters of the Sandinist People's Army when he was trying to deliver a consignment of arms for Nicaraguan contras has a similarly bloody past. Retired General Singlaub who allegedly conceived the idea of the "operation" was former president of the World Anti-Communist League, former chief of staff of the U.S. Forces in Korea.

One of the persons heavily involved in the Watergate, G. [initial as received] Dean, testified to the court that for those who had been in the White House and were familiar with the atmosphere reigning there the Watergate scandal was the inevitable outcome of the climate which was characterized by excessive concern over political consequences of demonstrations, by overpowering appetite for political blackmail, regardless of law.

Apparently the climate in Washington does not change. This is why the two scandals are so similar.

PRAVDA DISPUTES SHULTZ' VIEW OF ASIA-PACIFIC

PM151147 [Editorial Report] Moscow PRAVDA in Russian 6 June 1987 Second Edition carries on page 4 1,500 words of "extracts" from a speech by U.S. Secretary of State George Shultz at Stanford University under the heading "'Ensuring Peace and Stability in the Pacific'" followed by an article by Viktor Kremenjuk, doctor of historical sciences, written in response, under the heading "On the Danger of Complacency." The two items are published under the rubric "From Different Standpoints."

G. Shultz' speech deals with "different approaches" in the Pacific to "the question of broadening political and economic freedom" and efforts by the United States to use its "firm bilateral relations with different countries in this region to promote the development of regional cooperation." He also dwells on the need for a "convincing deterrence factor" in the Pacific and the "spread of freedom and democracy."

Viktor Kremenjuk's response reads:

"Reading the speech by Secretary of State G. Shultz at Stanford University, which is in California on the U.S. Pacific coast (hence, obviously, the subject matter of the speech), one can immediately and without reservation agree with his claim that 'the dramatic nature of the changes taking place in the world today makes complacency dangerous.'

"It is true that complacency is not one of the positive qualities of human nature. But in politics -- domestic and foreign -- it can actually become dangerous. The dramatic changes taking place in the world today referred to by the U.S. secretary of state, particularly the danger of a nuclear world war, make a feeling of complacency particularly dangerous.

"In politics a sense of complacency is apparent wherever and whenever people have no desire for change and they stubbornly continue to cling to old, decayed dogmas, regardless of the lessons of the past or the arguments of reason. In such cases, policy diverges in its evaluations from reality and itself becomes a source of danger. It is particularly important that this is remembered in the nuclear age -- especially by those who determine the policies of the great powers. G. Shultz proposes to ensure peace and stability in the Pacific. We also want this. But whereas the U.S. secretary of state proceeds in his 'search for peace' from a strategy of economic and political pressure on this region, guided primarily by the interests of U.S. capital, our country offers a program from the standpoint of the new thinking, taking into account the interdependence of interests of all the countries in this region. Let us turn to the Soviet initiatives.

"'Past experience, the laws of growing interdependence, and economic integrational needs,' the Soviet leader said, 'orient us toward seeking ways to achieve harmony and build open relations between states both within this region and beyond. These states have tens, hundreds of problems crying out to be solved, some of which are inherited from their colonial past and others which are the result of contradictions in their present development. They are drawn into blocs, their freedom to manage their own resources is limited, they are forced to inflate their military budgets, and they are being sucked into the arms race and the militarization of their economy and social life.'

"One cannot fail to agree with G. Shultz when he says that the achievement of economic success, political stability (although it is clear that he interprets the concept of stability differently to us), or regional security in the Asian and Pacific region 'will be neither automatic nor inevitable' if the appropriate efforts are not made.

"All this was discussed much more fully and in far more detail in the Soviet initiative put forward in Vladivostok on 28 July 1986. Although G. Shultz considered it unnecessary to even mention the Soviet Union's proposals to create a system of security and cooperation in the Asian and Pacific region in his speech, he cannot be unaware of these proposals. Consequently, as it seems to me, his speech can and must be regarded as a response to these proposals, which have aroused as a response to these proposals, which have aroused such an enormous response in virtually every country in the region.

"What does the United States propose?

"The U.S. Administration, according to G. Shultz, sets store by 'efforts to strengthen peace and stability by maintaining a convincing deterrence factor.' But one would have thought that all postwar experience has taught us that achieving security and, consequently, fruitful cooperation in the region is possible only through collective, comprehensive effort, open, direct dialogue, and increased trust.

"Admitting that the task of ensuring security in the region has not been resolved, despite the fact that the United States has tried to do this by its own means for more than 40 years, G. Shultz thereby denies the right of other countries, such as New Zealand, for example, to try to ensure security by other, more modern and more peaceful means. 'Declarations of goodwill and so-called confidence-building measures, which weaken the strategic deterrence factor,' he says, 'are not the answer.'

"What then is the 'answer'?

"The solution proposed by G. Shultz appears simple from the outside. First, we must change our views and approaches to economic relations in the Pacific region in favor of an 'open, developing international economic order.' Second, we must double our efforts to maintain a 'convincing deterrence factor against the use of force or the threat of the use of force by expansionist states.' Third, we must continue to encourage the 'spread of freedom, democracy, and law and order everywhere in this region.'

"If we look more closely at the substance of this solution the picture becomes clearer. The U.S. interpretation of 'openness' in international trade and economic ties in the region evidently includes such aspects as, for example, interference in Soviet-Japanese economic relations and attempts to secure a ban by the Japanese Government on the supply of products from the Japanese Toshiba Kikai machine-building company to the USSR. Moreover, we are now witnessing an anti-Soviet campaign inspired by Washington which has become political — 'economics' have developed into a 'visa war' against Soviet specialists and the persecution of any Japanese firms which have dealings or intend to have dealings with the Soviet Union.

"The spread of freedom, democracy, and law and order' also implies invariable support for the South Korean regime, despite the population's active struggle for its inalienable civic rights and freedoms. Despite the fact this issue reveals all the hypocrisy of the U.S. Administration, which advocates human rights but at the same time actively supports one of the most odious, repressive regimes in Asia. There is no need to comment on 'doubling our efforts to maintain a convincing deterrence factor': This means stationing U.S. nuclear forces in regions adjacent to USSR territory and provocative actions by U.S. naval forces in Soviet territorial waters.

"In my opinion, the speech by the U.S. secretary of state is steeped in complacency because it shows no sign of any desire to change anything in the traditional U.S. approach or to consider the beneficial changes in the international arena as a whole and in the Asian and Pacific region in particular. This kind of complacency is indeed dangerous, primarily for those who are in no hurry to shake it off."

DOBRYNIN RECEIVES FORMER AMBASSADOR KENNAN

LD152105 Moscow TASS in English 1933 GMT 15 Jun 87

[Text] Moscow June 15 TASS — Secretary of the CPSU Central Committee Anatoliy Dobrynin today received former United States ambassador to the USSR, prominent American historian George Kennan at the latter's request.

Historic aspects of the development of Soviet-American relations and the ways to level them out were discussed in an open and friendly conversation.

The American interlocutor emphasised that despite slumps and complexities in relations between the USA and the USSR, it is important to channel them into a route of peaceful constructive cooperation, outcoming [as received] the dated approaches and dangerous military confrontation which is fraught with nuclear catastrophe. George Kennan noted that the activities of General Secretary of the CPSU Central Committee Mikhail Gorbachev in precisely this direction evoke ever greater respect and increasing response from the Americans.

PENTAGON CONDUCTS FOURTH SUCCESSFUL TRIDENT-2 TEST

LD130642 Moscow TASS in English 0620 GMT 13 Jun 87

[Text] New York June 13 TASS — The U.S. has conducted another flight test of the Trident-2 missile. According to the UPI news agency, this strategic missile capable of carrying up to 10 nuclear warheads was launched Friday night off Cape Canaveral, Florida.

The same as during previous tests, the flight range of the missile and the location of the target which it [word indistinct] hit were kept secret. Frank Decker, spokesman of the Pentagon, said that the missile has carried no warhead and that it was the fourth successful test launching of Trident-2. It is planned to conduct about 20 flight tests of Trident-2 before these submarine-based missiles are adopted by the U.S. Armed Forces in 1989.

SPOKESMAN DENIES ARMS-FOR-OIL DEAL WITH IRAN

PM151557 Moscow PRAVDA in Russian 11 Jun 87 Second Edition p 5

[TASS report: "Reports Refuted"]

[Text] Beijing, 10 Jun -- A PRC Foreign Ministry Press Department spokesman today refuted reports by THE CHRISTIAN SCIENCE MONITOR and other U.S. mass media organs on a deal allegedly concluded between the PRC and Iran at the end of May to ship Chinese weapons to Iran in exchange for oil. The U.S. press reports also claimed that the two sides had reached agreement on Chinese shipments to Iran of equipment for military plants, as well as planes, tanks, and other types of arms for the Iranian Army.

These U.S. press reports, the PRC Foreign Ministry spokesman stated, are sheer fabrication.

AMITY DELEGATION VISITS LENINGRAD 10-12 JUNE

OW150404 Moscow in Mandarin to China 1500 GMT 12 Jun 87

[Excerpts] Listeners, we have already reported that a delegation from the Chinese-Soviet Friendship Association is visiting the Soviet Union. The delegation is led by Ling Qing, vice president of the Chinese People's Association for Friendship with Foreign Countries. The Chinese guests visited scenic spots and historical sites, and familiarized themselves with the life of the working people and the work of the Leningrad Branch of the Soviet-Chinese Friendship Society in Leningrad from 10 to 12 June. [passage omitted]

On the eve of their departure, our station reporter (Murochenov) interviewed the head of the delegation, Ling Qing, and asked him about his impressions of Leningrad.

He said: [Begin Ling Qing recording] We are very pleased economic and trade relations between China and the Soviet Union have developed. We believe relations between our two countries in these fields can further develop. In this regard, Leningrad and its people have made important contributions. We are very happy to have the opportunity to visit Leningrad, an heroic city of the Soviet Union. [passage omitted] Chinese people have a traditional friendship with the Soviet and the Leningrad peoples. As vice president of the Chinese People's Association for Friendship with Foreign Countries, I hope the friendship will constantly grow. In this respect, Leningrad can make many contributions. I know many Chinese students are studying here. Leningrad has held a Chinese film festival. Therefore, the city is able to have many exchanges with China and its major cities in the cultural field. Of course, I hope our friendly relations will constantly develop. [end recording]

BRIEFS

SHIP ARRIVES IN RIGA -- The ocean liner (?Hua Tong Hai) has become the first ship flying the Chinese flag to have arrived in Riga, the Soviet port on the Baltic sea. The ship has crossed two oceans to deliver to the Soviet Union more than 40,000 tons of cargo. Captain Li Tegul has said that no distance can prevent the two great peoples from strengthening their longstanding friendship. [Text] [Moscow World Service in English 2100 GMT 15 Jun 87]

U.S. TRIES TO ENTICE JAPANESE COOPERATION IN GULF

LD091756 Moscow TASS in English 1621 9 Jun 87

[Text] Moscow June 9 TASS — TASS political commentator Askold Biryukov reports:

Washington has offered Tokyo a small "carrot" in the hope that the Japanese "hare" will repay it with even greater readiness to cooperate to further U.S. strategy on the world scene.

The "carrot" was U.S. President Ronald Reagan's announcement that the United States was lifting its punitive customs duties on Japanese electronic products, which were imposed last April.

The measure will take supplementary duties off a total of 51 million dollars worth of goods, which add up to merely 17 percent of the Japanese merchandise hit by the earlier sanctions.

That the "mercy" shown by Uncle Sam to his strongest trade rival is far from disinterested can be seen from Japanese press reports.

They said, for example, that "in response" to the partial lifting of the sanctions the Japanese premier had already expressed an intention "to study possible cooperation" between his country and the United States in "ensuring security" in the Persian Gulf.

This cooperation, which in Washington is called "logistical support" for U.S. naval forces in the Gulf, is being described as yet only as diplomatic or financial and economic measures.

But the leit motif of comments in the Japanese press on the issue is unambiguous: Any sharing by Japan and the United States or responsibility for "security" in the Gulf or its "protection" will be another violation of the peaceful Japanese constitution.

The United States has already used power politics in respect and to the detriment of its allies more than once when that was required by its "vital interests". Japan has experienced that kind of treatment as well.

Seeking to cushion blows by its "senior partner", Tokyo has in these cases, as a rule, made concessions of principle which have often led to frictions in its relations with other partners.

The current meeting in Venice is no exception in this respect. While the leading allies of the United States are attempting, at least in public, to distance themselves from the U.S. policy of heightening tension in the gulf, Tokyo is extending its hand to Washington.

All indications are that things will not be limited to this gesture of gratitude for the American "carrot". According to reports from Tokyo, there are plans to give the U.S. President the gift of Japan officially joining his pet project — "Strategic Defense Initiative".

The press reported that an intergovernmental agreement on Japan's involvement in the "Star Wars" program and another secret memorandum concealing the details of that deal with Washington might be signed as early as this month.

These moves are being planned at a time when world opinion demands outer space militarization to be prevented and a bill has been sponsored in the U.S. House of Representatives to condemn SDI as a dangerous, destabilizing and exceedingly costly program for a new arms race that would put in question the possibility of reaching agreements on strategic arms in Geneva.

Tokyo's posture is a cause of indignation for peoples demanding that politicians make specific efforts towards a nuclear-free and non-violent world.

It has given rise to resentment also in Japan itself where, the newspaper ASAHI said, there was public anger at the fact that "the country is shouldering an ever greater burden as a member of the Western camp and being indirectly drawn into NATO's nuclear strategy".

JAPANESE, SOVIET FIRMS LAUNCH JOINT VENTURE

OW120513 Tokyo KYODO in English 0454 GMT 12 Jun 87

[Text] Moscow, June 12 KYODO -- The Soviet Union and Japanese firm have concluded an agreement to set up a wood-processing company, marking the first joint venture between Soviet and foreign interests since a Soviet joint venture law took effect in January.

The pact was signed here Thursday by the Irkutsk all union forestry association of the Ministry of timber, paper/pulp and woodworking industries of the Soviet Union and Tairiku Trading Co. of Tokyo.

The new firm, Igirma-Tairiku, which is located in Igirma, about 600 kilometers from Irkutsk, is capitalized of 2 million rubles, with the association sharing 51 percent and Tairiku 49 percent, Tairiku officials said.

They said the firm will start producing about 90,000 cubic meters per year of high-quality wooden materials from red pine next April, and 70 percent of the products will be exported to Japan.

Tairiku will share 6.7 million rubles of the total investment for the project amounting to 13.27 million rubles, the officials said.

The Soviets enacted the joint venture law on January 1, which calls for 51 percent majority ownership by Soviet enterprises in joint ventures with foreign firms.

Japanese firms proposed the establishment of 47 joint ventures and several of these will be formed this year, a Soviet official said in Tokyo last month.

KOROLEV ON SOVIET TROOP WITHDRAWAL FROM MONGOLIA

OW091225 Moscow in Mandarin to China 1500 GMT 8 Jun 87

[Korolev commentary]

[Text] The Soviet Defense Ministry has announced the withdrawal of a motorized rifle division and several separate units of the contingent of Soviet troops temporarily staying on the territory of the Mongolian People's Republic [MPR], in accordance with a decision of the Soviet leaders after consultations with the MPR Government. Our station commentator Korolev writes the following about this:

The troop withdrawal has again proved that this action by the Soviet and Mongolian Governments is in line with the socialist countries' principled policy to consolidate peace and stability in the Asian-Pacific region. Although its level of militarization is not as high as that of Europe's, the Asian-Pacific region covers a vast area with great military potential, unclear powers with large numbers of troops, and countries with advanced science, technology, and industry. They are capable of conducting any kind of arms race, which, of course, can cause serious consequences because of frequent conflicts in the region.

Fully considering all of the above factors, the Soviet Union and the MPR have exerted efforts to prevent disaster in the region. For example, the MPR has proposed a conference to work out an international convention on nonaggression and nonuse of force among countries in the Asian-Pacific region. The signing of such a convention will be a reliable guarantee for the security of this vast region. Last year, Soviet leader Gorbachev put forth a series of constructive proposals in his speech at Vladivostok, aimed at turning the Asian-Pacific region into a zone of peace and rapprochement. Among them is a proposal for reducing troops and conventional arms in Asia. The Soviet Union maintains that this issue should be resolved step by step in different areas beginning, for example, in the Far East. Gorbachev declared at that time that the Soviet Union and the MPR were studying the withdrawal of a large number of Soviet troops from the MPR. Now this has been accomplished.

ANDRIANOV PROFILES ROK PRESIDENTIAL CANDIDATE

LD102117 Moscow Domestic Service in Russian 1645 GMT 10 Jun 87

[From the "International Diary" program presented by Yevgeniy Grachev with commentator Boris Andrianov]

[Text] All Western news agencies report from Seoul that Chon Tu-hwan's ruling party in South Korea today named its candidate for the post of president at the elections to be held in December this year. Retired General No Tae-u, who occupies the post of party chairman, has been named as candidate. Chon Tu-hwan is the party's president. I hand over the microphone to my colleague, commentator Boris Andrianov.

[Andrianov] The decision adopted in Seoul does not permit any ambiguities. It virtually means that No Tae-u should become Chon Tu-hwan's official successor. The president of South Korea is not elected by universal direct voting. The Seoul rulers are scared stiff of this as they understand they would not remain in power. Therefore, a collegium of electors, comprised of 5,000 members, has been specially set up.

It submits to the ruling party's decision and obediently votes for its candidate. In 6 months time No Tae-u will, without any doubt, be elected, if one can tell it that, president of South Korea.

[Grachev] This question naturally arises, Boris Vasilyevich. What sort of person is No Tae-u?

[Andrianov] He is a career military man, trained in the United States. At one time he underwent training along with Chon Tu-hwan in the United States on special courses at Fort Bragg. This circumstance, by the way, was particularly stressed by the British REUTER news agency. Just like Chon Tu-hwan, No Tae-u was in command of army units of South Korean cut-throats sent to help the U.S. interventionists during the dirty war in Vietnam. He is considered a personal friend of the present Seoul dictator whom he supported in 1979 with the forces of his 9th Division during the military putsch which brought Chon Tu-hwan to power. In return for these services, No Tae-u was appointed commander of the public security troops, the secret police of the dictatorial regime.

It was only 6 years ago that he exchanged his general's uniform for civilian clothes. But this change of clothing looked very much like a masquerade with the participation of many former military men from Chon Tu-hwan's closest entourage which was depicted as the change-over to civilian rule in South Korea. Such a fiction was required, primarily, of course by the Seoul regime's guardians across the ocean. How they have tried in recent years to create the appearance that South Korea is proceeding along the path of democratization. By the way, it is the same aim which should be served by the departure of Chon Tu-hwan from the post of president next February which is to take place not without prompting from Washington. Thus, THE NEW YORK TIMES writes on this subject: Chon Tu-hwan will be the first South Korean leader to have voluntarily left his post. However, all this reminds one of a game with shared roles which can delude only ignorant people, and the leaders of the South Korean opposition are not among these. They consider the essence of the intended transformations comes down to the fact that the Seoul authorities, based on a clique of generals, are simply changing the official figure-head but are not changing the policy at all.

As stressed in the statement by the opposition United Democratic Party [as heard], retired general No Tae-u is being nominated with the aim of perpetuating the present dictatorial regime. This conclusion is virtually confirmed even by the U.S. press which presents the South Korean presidential candidate as a man who displays minimum tolerance for political dissent. Therefore, the decision of Chon Tu-hwan's ruling party on its presidential candidate has been met with a storm of indignation by the broad circles of the South Korean public.

IZVESTIYA REPORTS MPR FOREIGN MINISTER'S STOPOVER

PM091209 Moscow IZVESTIYA in Russian 3 Jun 87 Morning Edition p 4

[TASS report under rubric "Official Reports"]

[Text] On 1 June Mongolian Foreign Minister M. Dugersuren left for home after stopping over in Moscow.

He was accompanied to the airport by I.A. Rogachev, USSR deputy foreign minister, and other officials, including A. Yundendorj [name as published], Mongolian charge d'affaires ad interim in the USSR.

SHULTZ VISIT TO PRESSURE PHILIPPINES GOVERNMENT

LD141345 Moscow TASS in English 1249 GMT 14 Jun 87

[Text] Manila June 14 TASS -- U.S. Secretary of State George Shultz, who is making a ten-day tour of South East Asian and Pacific countries, arrived here today for talks with Philippine President Corazon Aquino.

The press says he is also to sign an agreement to pay 163 million dollars to this country as part of the promised aid of 358 million dollars.

The United States is seriously concerned about Manila's intention not to renew an agreement on American bases on Philippine territory after 1991.

In this connection, local observers note, the visit by the chief U.S. diplomat is meant to bring pressure to bear on the Philippine Government and make sure that the United States will retain its military presence in this country.

DEMICHEV PRESENTS AWARD TO SRV'S PHAM HUNG

PM151515 Moscow IZVESTIYA in Russian 13 Jun 87 Morning Edition p 5

[TASS report: "Presentation of Order"]

[Text] P.N. Demichev, candidate member of the CPSU Central Committee Politburo and first deputy chairman of the USSR Supreme Soviet Presidium, presented the Order of the October Revolution to Pham Hung, member of the Communist Party of Vietnam [CPV] Central Committee Politburo and deputy chairman of the SRV Council of Ministers, in the Kremlin 12 June. This award has been conferred on him for his active participation in the revolutionary movement and his great services in developing all-around cooperation between the Soviet Union and socialist Vietnam.

Warmly congratulating the recipient, P.N. Demichev emphasized that Pham Hung, a representative of the glorious cohort of Vietnamese revolutionaries and close comrade in arms of Ho Chi Minh, made a great contribution to the Vietnamese people's heroic struggle for the motherland's freedom and independence and to the defense of revolutionary gains against the encroachments of imperialist forces. Our peoples' friendship is strengthening, and the two countries' cooperation in resolving the complex tasks of socialist and communist building is being filled with new substance. M.S. Gorbachev's recent meetings and talks with Nguyen Van Linh, general secretary of the CPV Central Committee, convincingly demonstrated the determination of the CPSU and the CPV to broaden cooperation on various levels and to improve the entire range of bilateral relations.

Pham Hung expressed profound gratitude to the CPSU, the USSR Government, and the Soviet people for the high assessment of his activity. We Communists, he said, and the entire Vietnamese people have special sympathies with the restructuring now vigorously under way in all avenues of the Soviet Union's social and economic life. The successes of restructuring open up a new stage of decisive significance for the USSR, world socialism, and peace throughout the world. The recipient assured he will continue to devote his knowledge and experience to strengthening our parties' and peoples' fraternal friendship and enhancing the efficiency of Vietnamese-Soviet cooperation in all spheres.

Present at the award ceremony were T.N. Menteshashvili, secretary of the USSR Supreme Soviet Presidium, M.N. Smirnovskiy, deputy chief of a CPSU Central Committee department; and Nguyen Manh Cam, SRV ambassador to the USSR.

CAMBODIAN CORRESPONDENT DENIES ARMED CLASHES

LD151750 Moscow Domestic Service in Russian 1500 GMT 15 Jun 87

[Presented by Igor Charikov]

[Text] [Charikov] Western news agencies have today been reporting that armed clashes are taking place in the Cambodian capital, Pnom Penh, with explosions and gunfire being heard. We decided to check the veracity of these reports. Approximately 2 hours ago I contacted Yevgeniy Kachanov, our correspondent in Pnom Penh, and asked him.

[Begin recording] [Charikov] Tell me, Yevgeniy, are things happening as the Western agencies describe?

[Kachanov] No. On the whole the situation is calm. There were indeed some explosions, as I reported last week. But literally only one or two people were hurt. The vigilance of the local population has increased. Thanks to this, the security service has picked up the Pol Pot saboteurs who had infiltrated Pnom Penh. An investigation is under way. People are living and working normally, not only here in Pnom Penh, but throughout Cambodia. Of course, enemies are endeavoring to prevent this. Today I received the latest report on the situation on the Cambodian-Thai border from the Defense Ministry. In only 1 week, 6,500 mortar bombs and artillery shells were fired at Cambodian territory from the other side, in precisely those areas where armed detachments of Pol-Potites were trying to cross the border. Furthermore, the level of activity of these detachments, as even foreign correspondents have noted, has lately increased sharply. But the vigilance of the border guard units has also increased. In the same week, in operations to repel attempts at incursions, over 300 counterrevolutionaries were killed, wounded, or captured, and a large amount of arms and ammunition were seized.

The security interests of the young republic, and the cause of defending the construction of a new society, impels young Cambodians to take up arms more energetically and join the ranks of the people's revolutionary army. [end recording]

[Charikov] There, you see, comrades, how the Western information media -- or, in this case, disinformation media -- sometimes indulge in wishful thinking.

DRA'S NAJIBULLAH READY FOR COALITION MEASURES

LD141524 Moscow TASS International Service in Russian 1330 GMT 14 Jun 87

[Text] Kabul, 14 Jun (TASS) -- Today the Afghan media published a report by Najib, general secretary of the PDPA Central Committee, given at the PDPA Central Committee Plenum on 10 June.

Some 145 days have passed since the party and people's power announced a course toward national reconciliation, which has become a new page in the history of Afghanistan, Najib said at the plenum. It is turning into a new political thinking, becoming reality, and acquiring a nationwide character.

The progress of national reconciliation, he said, has great international importance, for its success will reduce tension in one of the world's explosive regions -- the Middle East. This is why the struggle for reconciliation is also a part of the universal struggle for detente and for an improvement in the international climate in the whole world. Yet national reconciliation, Najib pointed out, cannot be a matter for the party and state only, and the opposite side has to make honestly its part of the way, too.

Taking into account the interests of all the Afghan people, Najib added, the process of reconciliation should be imbued with new powerful impulses.

The past 5 months have shown that the party has become a mobilizing fighting power. However the new conditions demanded that the cadres be able to resolve many great and small urgent matters. Today everyone has an opportunity to show his abilities. As for those who adhere to the old ways, who are not changing and not serving the process of reconciliation but sometimes even try to impede the process, we are resolved to part with them.

On the matter of coalition the general secretary of the PDPA Central Committee stressed that there are objective conditions for establishing a real coalition of all the democratic and patriotic forces. This coalition is able to put a stop to the fratricidal war, to ensure the normalization of the situation and to start on resolving urgent national problems. To do this, it is necessary to unite all the efforts of all the political parties and groups, clergy, and public organizations, and to start on implementing the measures of compromise that form the basis of the policy of national reconciliation.

The state power will be of the same nature of compromise as the process of national reconciliation itself, and it will assume a wider and more representative character. The current opposing real military and political forces will be able to gain access to power if they pledge to serve the principles of reconciliation in mixed bodies of the state power which adhere to the positions of biding their time and neutrality.

We will readily open the doors to those who come to us with peace. In a word, coalition will be not just a propaganda token, we shall not be fencing ourselves off from it by giving just two or three seats to the representatives of the other side. Power will have to be shared. This follows from the laws of the national democratic revolution and from the present conditions of Afghan society. As for the reform of government by the highest state authority, it is the view of the PDPA Central Committee Politburo that the most acceptable in terms of national and historical traditions is a presidency, though the president should be not merely a symbol of authority but rather its focus. [paragraph continues]

The time has come to offer the opposing side specific measures and posts, given that a tendency to compromise is already observable. In principle, we should take practical and specific steps toward those who are now ready for coalition and cooperation. It is essential to take account of the positions of those irreconcilable circles which are being urged to war by U.S. imperialism headed by the Reagan administration and its NATO partners and by reactionaries in the region.

Time is passing, Najib said, and we cannot remain in temporizing positions, so it is necessary to make use of opportunities for entering into contact with monarchist forces, political figures from former regimes, and well-known and authoritative members of the clergy.

The peace jergas [assemblies] must represent another efficient coalition form. As a result of holding them villages, areas, subprovinces and provinces of peace will be determined. These zones are formed through coalition following an agreement on national reconciliation. Another option is also possible: when a village retains its former administration but adopts the reconciliation policy. In such cases we are prepared to provide financial support. Mixed power bodies on territory beyond our control should be set up in a bolder way. Following a jerga of peace, the Army units (Soviet and Afghan) are withdrawn from the territory. The Sarandoy (people's militia) and local self-defense units, which can also incorporate former rebels, are left.

Najib reported that the commission for preparing the constitution has ended its work on a draft, and that in the near future it will be published and distributed everywhere for nationwide discussion. The constitution will take into account the historical, religious, national, and cultural traditions that should determine the form of state order. Afghanistan should be a sovereign, integral, nonaligned, neutral Muslim state. The constitution guarantees that the positions of all sides entering the coalition will receive worthy and due respect. Everything will be done to make the new constitution legislatively register, express, and guarantee the people's will to live in peace and unity for the benefit of the fatherland.

The speaker paid much attention to the question of the pluralist system. This, he said, by no means contradicts the essence of the national democratic revolution. The prerequisites have already matured in Afghanistan for legalizing several parties and organizations which have been active for many years and which are intent on serving the acceleration of the process of national reconciliation. We do not insist that these parties agree with the PDPA on questions of theory, strategy and tactics, and they may have their own viewpoints. But each party must support one goal common to all -- to establish peace in Afghanistan, guaranteed nonuse of weapons, national sovereignty, independence, a policy of nonalignment, strengthening the traditional historical friendship with the USSR, and developing relations with neighboring countries. We do not oversimplify all the difficulties of achieving unity of actions by our party and other national democratic and patriotic forces. But our firm position is that the truly democratic national parties and organizations which are concerned about the fates of the people and the country disagreements must not be resolved through war.

In speaking of the Armed Forces, the Afghan leader stressed that they strictly observe the conditions of the cease-fire for 52 days. It was only when, in response to the enemy's frequent intensified firing, the people demanded that a crushing blow be delivered, that we began to act.

The aspiration to wreck by military means the process of reconciliation presented the Armed Forces with the tasks of achieving a decisive neutralization of the actions of the counterrevolution, routing the intransigent groups, destroying their weapons depots and convoys, and ensuring reliable coverage of the DRA's border with Pakistan and Iran. It is wholly natural that successful fulfillment of these tasks demands further reinforcement of the Army, the Sarandoy and the security forces, and this is not in conflict with the policy of national reconciliation.

The current moment, Najib continued, demands that greater attention be paid to the international aspects of the process of national reconciliation. This process will have a positive effect on the situation in the region and upon mutual relations with neighboring countries, primarily with Pakistan and Iran. The cessation of interference in Afghanistan's affairs from the territory of these countries, and a guarantee that this will not be renewed, is the natural basis for this. In examining the prospects of the Geneva negotiations the point of departure must be that their success depends to a great extent on how realistic is the stance adopted by Pakistan.

Let no one have any doubts, the general secretary of the PDPA Central Committee said in conclusion, that sovereign, neutral and nonaligned Afghanistan will always be a firm champion of peace, cooperation and solidarity of peoples in the struggle for a world without wars and for national and social progress.

DRA'S NAJIBULLAH TO EXTEND COMBAT 'MORATORIUM'

PM151043 Moscow MOSCOW NEWS in English No 23, 7 Jun 87 p 7

[Interview with PDPA Central Committee General Secretary Najibullah by Yuriy Teplyakov: "We Shall Extend the Combat Operations Moratorium"]

[Text] Kabul — Yu.T.: On January 15 the Supreme Extraordinary Commission on National Reconciliation decided on a six-month unilateral cease-fire. The period has nearly expired, but the armed resistance of anti-government groupings is continuing. What happens next?

N.: The undeclared war in my country is in its eighth year. It would have been naive to believe in its speedy end. The Afghan leadership had no illusions on this score when it put forward the idea of national reconciliation. Time though has not been wasted. During these several months millions of Afghans have realized that the policy of national reconciliation has no alternative, that this is the only way for our country to progress.

You went to the border provinces and saw for yourself that the counterrevolutionary armed groups today mostly raid not the army outposts and units but rather those people who a short time ago were on their side in the mountains, those who responded to the call for national reconciliation. Their number runs into thousands. A number of former heads of large bands are now active in local governmental bodies. Was such a thing imaginable before the reconciliation effort?

It will take some time -- let's not guess how much time -- before there is peace in the country. Only, as we proceed along this road, we have got to have some definite schedule. We've got to continue what we started. For this reason we are going to extend the moratorium on combat operations.

Yu.T.: In your recent address on Afghan television you said that opposition leaders still don't wish to have talks on setting up a coalition government. Maybe they are unhappy with the ministerial positions you've offered them?

N.: Our efforts are rejected by outspoken fanatical enemies. Most probably they are hoping that there'll be no power sharing, that they would get it all.

We are strong enough to defend the revolution. No Afghan Government has ever had such a strong army. We can today achieve much through military methods but the life of every Afghan is dear to us, no matter whose side he or she is fighting on.

Fortunately, the diehards are the minor part of the opposition. Many were duped into joining the resistance. Many found themselves there through mistakes made by the revolution early on and which we honestly admitted. We have not only admitted those mistakes but ensured that they are not to be repeated.

Yu.T.: Taking part in the reconciliation process are not only leaders of the opposition's armed units but whole political organizations of the opposing side. Do they insist on forming their own political parties in Afghanistan?

N.: National reconciliation does not mean surrender to the revolutionary regime in Kabul, as the process is portrayed by the arch enemies of popular government. All sections of Afghan society including religious groups, will be able to uphold their interests through political organizations.

Yu.T.: Nearly 50,000 refugees have returned to their homes in four months, but most of them are still across the border.

N.: That's right. They are across the border which is so difficult to cross. There are also other restrictions apart from border security. Refugees at Pakistani and Iranian camps are given increased subsidies to hold the people there back.

Gambling on the refugee problem, the U.S., some European capitals, Islamabad and Tehran fall backwards to emphasize humanitarian aid to the war-weary people. But as soon as refugees mention their wish to go back to Afghanistan, all aid to them is cut off.

Our people shared and share shelter and food with those who have returned. A considerable part of the unrefundable aid we are getting from the Soviet Union is channeled into these areas.

We are prepared to receive members of the world public so that they could see what our people do for those who return to their country, how these people live, work or study.

Yu.T.: Why do you think the USSR is showing with increasing persistence its readiness to withdraw from Afghanistan its limited military contingent? Perhaps, something has changed in Afghanistan itself?

N.: Yes, the Afghan side is doing all so that Soviet soldiers might go back home in the knowledge of fulfilled duty. We have become stronger militarily. Our armed forces can, if need be, deal independently a crushing blow at the enemy groupings. And another thing, I repeat, the policy of national reconciliation is starting to bear fruit.

TASS REVIEWS VORONTSOV VISIT TO IRAN 12-15 JUN

LD151723 Moscow TASS International Service in Russian 1625 GMT 15 Jun 87

[Text] Moscow, 15 Jun (TASS) -- On the invitation of Iran Yuliy Vorontsov, first deputy minister of foreign affairs of the USSR, stayed in Tehran from 12 to 15 June. He was received by and had talks with Sayyed 'Ali Khamene'i, president of the Islamic Republic of Iran; 'Ali Akbar Hashemi-Rafsanjani, chairman of the assembly of the Islamic Council (parliament); Mir Hoseyn Musavi, prime minister; 'Ali Akbar Velayati, minister of foreign affairs; Mohammad Javad Irvani, minister of economics and financial affairs; and he had a thorough exchange of views with 'Ali Mohammad Besharati, first deputy minister of foreign affairs.

The meetings and talks analyzed in detail the state of an prospects for development of Soviet-Iranian relations and further specific steps were outlined to expand relations in various areas, proceeding from the desire of both parties for the fullest utilization of the existing possibilities.

There was also a detailed discussion of topical international problems; the general state of affairs in the world; in the region of the Persian Gulf and the Middle East as a whole. The corresponding viewpoints of the parties were set out on specific developments in the area in question.

Agreement was reached on maintaining further contacts on questions of mutual interest.

Tehran Media Coverage

For Tehran media coverage of the visit of Deputy Foreign Minister Yuliy Vorontsov to Iran, see the Iran section of the 15 June Near East & South Asia DAILY REPORT and subsequent issues.

SHABAYEV ON U.S. 'PRETEXTS' FOR GULF INTERVENTION

LD151701 Moscow TASS in English 1547 GMT 15 Jun 87

[Text] Moscow June 15 TASS -- By TASS political news analyst Boris Shabayev.

Unreasoned and unpredictable, this is how the Reagan administration's policy in the Persian Gulf areas is described by PHILADELPHIA INQUIRER. In a Sunday programme of the NBC, Henry Kissinger described the actions of the White House in about the same way. "Better wait", such is the opinion of Chairman of the Senate Armed Services Committee Sam Nunn on the Pentagon's dangerous plans in that explosive area.

The United States closest allies at a meeting in Venice unambiguously dissociated themselves from the participation in Washington's venture. Just as Henry Kissinger, they do not think that the situation in the Gulf calls for military interference. As the UPI reports, they are inclined to think that Washington's bellicosity is prompted by home policy considerations, the striving to overcome the consequences of the Irangate scandal.

Serious concern is manifested in littoral countries of the Persian Gulf. They hold with full reason that the escalation of hostilities provoked by the USA leads to unpredictable consequences.

This is why none of the Persian Gulf nations, as THE NEW YORK TIMES notes, have embraced the idea of the United States military interference under the pretext of "protecting" oil tankers in the Persian Gulf.

Not one Persian Gulf country will provide its territory to be used as military bases by the United States or any other power, says a statement of Bahrain's minister of information transmitted by the ASSOCIATED PRESS.

It would seem it is high time for the U.S. Administration to think better of it and, instead of pouring oil into the flame, join by actions, not in words, in the effort to remove the cause of the dangerous aggravation of tension in the Gulf zone -- the Iran-Iraq war. But the White House and the Pentagon continue their line. THE NEW YORK TIMES writes that the U.S. Congress is to receive a report signed by U.S. Defence Secretary Caspar Weinberger. The report asserts tht the United States is capable of stemming ther military threat to U.S. ships in the Persian Gulf single-handed.

The document envisages the further build-up of the U.S. naval presence in the Persian Gulf, where the United States has recently increased the number of its naval ships from 7 to 10. Officials who have the information about the contents of this "confidential report" said that it mentioned other methods of heightening military tension in the Middle East and in the Persian Gulf which will "remain secret" for the time being. THE NEW YORK TIMES writes that the president himself is expected to enclose a letter explaining the United States political interests and aims in the region.

These aims, alas, have nothing in common with the settlement of the conflict in the Persian Gulf. The Kuwaiti newspaper AL-WATAN noted that Washington's hand has been visible from the very start of the Iran-Iraq war. Pouring oil into the flame, Washington has been seeking to bring tension in the region to the boiling point so that under the pretext of protecting the Gulf countries to impose its military control. Such is the aim pursued by Washington.

GULF SAFETY LINKED TO INDIAN OCEAN CONFERENCE

PM151025 Moscow MOSCOW NEWS in English No 23, 7 Jun 87 p 6

[Interview with USSR Deputy Foreign Minister Valdimir Petrovskiy by Igor Danilin: "Peace and Security for the Persian Gulf. A Middle East Peace Conference Is Imperative"]

[Text] This was said by Vladimir Petrovskiy, Deputy Minister of Foreign Affairs of the USSR, after his recent visit to Kuwait, United Arab Emirates, Oman, and Iraq.

[Danilin] What were the reasons for your trip there?

[Petrovskiy] Representatives of the countries of that region expressed a willingness to hold political consultations with our country. Time itself has put the questions of bilateral relations, and such urgent problems as the Iran-Iraq war armed conflict, safety of navigation in the Indian Ocean area including the Persian Gulf and the Hormuz Strait, on the agenda.

Certain political forces are actively using the continuing tension to their own ends. The "Irangate" affair has clearly demonstrated who is indeed striving for the settlement of the conflict and who is just adding fuel to the fire.

The major attention, during the talks in the four countries, went to the ways of settling crisis situations in the region, turning the Middle East from a war theatre into an area of peoples' cooperation. My interlocutors have displayed a keen interest in the Soviet proposals aimed at the earliest settlement of the situation in the region.

[Danilin] What are these proposals?

[Petrovskiy] Some of them were set forth by Mikhail Gorbachev in New Delhi, others -- by Soviet representatives, from the UN rostrum. Their underlying idea to find a political settlement for all burning issues and controversies. Take the Persian Gulf as an example. The tense situation there is undoubtedly connected with the Iran-Iraq war. Urgent collective efforts are needed for its termination. However, the issue of free passage of ships in the Persian Gulf can be viewed from yet another angle. All the nations navigating their ships in its another angle. All the nations navigating their ships in its waters could not start, without procrastination, to urgently search for a guarantee for the safety of sea communications in the Gulf and the nearby Indian Ocean. We propose to start multilateral talks for the elaboration of safety guarantees for sea communications in the entire area of the Ocean, including the Gulf. In our opinion, multilateral efforts for the normalization of the situation in the Indian Ocean area, including the Persian Gulf, can also be applied in other directions. Talks about the limitation of naval activity, rolling back navy installations, and the elaboration of measures of trust can be held. Let's take the issue of the safety of flights over the Indian Ocean. The guarantees of flights are no less important than guarantees of a free passage of ships.

The demilitarization of the Indian Ocean and that of the Persian Gulf can and must be put into motion. There is a radical way to implement it: the proposed international conference for the turning of the Indian Ocean into a zone of peace. The USSR favours the UN decision to hold the conference in 1988. The conference has been brought forward several times, such a situation must not be put up with any longer. We want the UN resolution to be implemented.;

As for the Iran-Iraq war, the searches for a solution must be aided by the UN Security Council which wields vast possibilities and authorities provided for in the UN Charter. A special Security Council session on a foreign ministers' level can largely contribute towards solving the problem. That session can pass a resolution opening up the way to the actual termination of this senseless war.

[Danilin] Richard Murphy, the US Assistant Secretary of State for Near Eastern and South Asian Affairs, toured seven Persian Gulf countries in the wake of your trip. There he heard a lot of unflattering words levelled at Washington. For example, Shaykh Zayid ibn Sultan al-Nuhayyan, President of the UAE, criticized the USA's policy in the Middle East. The newspaper Al-RA'Y AL-AMM called the United States the most bitter enemy of the Arab countries.

[Petrovskiy] Murphy's mission was not an enviable one, of course. "Irangate" has left a scar. However, old debts must be paid, as we all know. Murphy tried to assure every country he visited that the United States favours an end to the Iran-Iraq conflict, and is not in the least interested in the escalation of tensions in the Middle East. Those were words, good words. However, if Washington is interested in the settlement in that region it has to prove it by practical steps. Still it hasn't taken any such steps yet.

[Danilin] The situation in the Persian Gulf has reached a critical stage: lately ships flying foreign flags have been attacked. The Iraqi Air Force attacked the U.S. frigate "Stark" killing nearly 40 of its crew. President Reagan issued an order for the U.S. Navy ships in the Gulf to open fire in a dangerous situation. Prior to this incident the Soviet ship "Ivan Koroteyev" was attacked. According to news agencies' reports, Iranians are behind it. What's your comment?

[Petrovskiy] Attacks on foreign ships are a gross violation of the international seafaring code and international law. Luckily, none of the Ivan Koroteyev's crew was hurt. We contacted Tehran in that connection, but Tehran refused to acknowledge that it had anything to do with the incident.

The USSR reserves for itself the right to act in accordance with international law if provocations against Soviet ships continue.

Piratic actions against peaceful ships open up an opportunity for the stepping up of the American military presence in the Persian Gulf. The Gulf nations are against U.S. military presence.

What is the present situation? President Reagan has said that the U.S. military presence in the Gulf will continue. British Navy Forces in the area have been put on alert. It is evident that the conflict is becoming ever more serious and is prone with unpredictable consequences.

The problem in the Gulf urges effective measures against any further escalation, to be taken on the part of the international community.

Let me use this opportunity to once again stress the Soviet position: We are for an immediate end to the pointless bloodshed between the peoples of Iran and Iraq. We call upon both sides to find the earliest possible political settlement of disputed issues at the negotiating table, not on the battlefield, with regard taken of the lawful rights and interests of both sides. Our stand regarding the Iran-Iraq conflict is well known to the governments of both countries -- we have no secrets, no double standards, nor do we have any partiality or bias. We are for the development of good-neighbourly relations with both Iran and Iraq.

[Danilin] This June, 20 years ago, the so-called Six-Day War, Israel's aggression against Egypt, Jordan, and Syria started, which imparted yet another dimension to the Middle-East conflict. Supported by the USA Israel continues its occupation of the Arab territories and puts obstacles on the way to a just settlement of the conflict, and of the Palestinian problem at its core. Were there issues discussed during your trip?

[Petrovskiy] The exchange of opinions on the issue with the leaders of the Gulf states leads one to the conclusion that a consensus of opinions exists among them. They favour the proposal by the USSR that a peace conference on the Middle East, with the participation of all interested parties, including the PLO, of course, and the permanent members of the Security Council be convened. Today, we can already speak about practical preparations for the forum to be held in the nearest future; in 1988, for example. It is to be remembered that a large political "capital" has been amassed in that respect. I mean the relevant resolutions of the UN General Assembly calling for such a conference, the declaration of the Non-Aligned Movement adopted in Harare, the decision of the Organization of the Islamic Conference in Kuwait, and, last but not least, the Brussels declaration of the European Economic Community.

The proposed conference shouldn't become a tribunal for Israel, neither should it become a cover for new separate deals Camp David style. The USA should at last show common sense and give up its imperial policy in the Middle East, and join the united efforts to settle the Middle-East conflict.

SUPREME SOVIET DELEGATION ARRIVES IN ALGERIA

Greeted by Melaika, Others

PM090935 Moscow IZVESTIYA in Russian 9 Jun 87 p 4

["Within the Framework of Traditional Contacts"]

[Text] Algiers, 8 Jun — The USSR Supreme Soviet delegation headed by A.F. Ryuytel, deputy chairman of the USSR Supreme Soviet Presidium, has arrived in the Algerian capital. [Moscow TASS in English at 0628 GMT on 8 June, reporting on the Ryuytel delegation's arrival in Algeria, adds that the delegation also consists of Sergey Losev, TASS Director-general, and Tair Salakhov, first secretary of the Board of the Artists' Union of the USSR] At the airport the Soviet representatives were met by Djelloul Melaika, deputy speaker of the National People's Assembly of Algeria, and by other officials. V.N. Taratuta, Soviet ambassador to Algeria, was among the welcoming party.

Upon arrival, A.F. Ryuytel issued the following press statement: Arriving on friendly Algerian soil, we want to express sincere gratitude to the leadership of the Algerian People's Assembly for the invitation to visit your beautiful country. Our visit fits into the framework of contacts, which have already become traditional, between the Supreme Soviet of the USSR and the National People's Assembly of Algeria which makes a worthy contribution to strengthening friendship and fruitful cooperation between our two countries and peoples.

To our mutual satisfaction, Soviet-Algerian relations are of steady and onward character. They received a powerful impulse for their further development as a result of the visit by Chadli Bendjedid, president of Algeria, general secretary of the National Liberation Front (FLN) Party, to the Soviet Union in March 1986, and of his talks with Mikhail Gorbachev, general secretary of the CPSU Central Committee, and other Soviet leaders.

The forthcoming meetings and conversations with Algerian parliamentarians will enable us to inform each other of the everyday concerns of the peoples of the Soviet Union and Algeria and of tasks which they are tackling now.

Our country is living through a special period in its development. The structuring process is gathering momentum in all spheres of Soviet society's life. A highly important role in the process is being played by the Soviets of people's deputies of all levels, particularly in matters concerning the deepening of democracy in every way and in drawing all working people into real participation in managing the affairs of society and the state.

I think topical issues of international life will also figure importantly in our conversations. We proceed from the premise that the role of parliaments continuously grows in the present-day world in radically improving the international situation and in asserting the principles of equitable international cooperation, trust and mutual understanding.

We are confident that our new meetings with Algerian friends will be useful and fruitful.

Ryuytel Meets Legislators

LD081917 Moscow TASS in English 1535 GMT 8 Jun 87

[Text] Algiers June 8 TASS -- A delegation of the Supreme Soviet of the USSR headed by Vice President of the Presidium of the Supreme Soviet of the USSR Arnold Ryuytel met today with the senior officials of Algeria's National People's Assembly. The Soviet delegation is on a visit here.

In the course of a warm friendly conversation the sides noted that the Soviet Union and Algeria have firm bonds of traditional friendship and fruitful cooperation in various fields based on the coincidence or closeness of the viewpoints of the sides on many international issues.

In this connection they stressed the big importance of the visit to the USSR by the president of the Algerian People's Democratic Republic, general secretary of the National Liberation Front Party Chadli Bendjedid and his talks with the general secretary of the CPSU Central Committee Mikhail Gorbachev and other Soviet leaders for the further development of bilateral relations and cooperation.

They shared positions of the two states on questions of a Middle East settlement and the convocation of an international conference on the Middle East under the aegis of the United Nations organisation, the need to give invariable support to national liberation movements and the rallying of the ranks of the Palestine resistance movement were noted in the course of the conversation.

The Soviet side positively assessed the Algerian leadership's efforts to restore Arab unity and strengthen the cohesion of the Palestine resistance movement, and Algeria's big contribution to the successful holding of the session of the National Council of Palestine last April.

Greeting the Soviet members of parliament, deputy chairman of Algeria's national people's assembly Djelloul Melaika said that Algeria actively supports the Soviet Union's foreign policy initiatives directed at averting nuclear war and strengthening international security and peace. "We also are of a high opinion of the Soviet leadership's measures and steps directed at rising the living standards of Soviet people," he said.

"We in the USSR have always followed with interest the progressive social and economic transformations in Algeria. We know that a big interest is being shown in the Algerian People's Democratic Republic in the present restructuring in our country aimed at accelerating social and economic development," Arnold Ryuytel said in reply.

On behalf of the Soviet party and state leadership and the Soviet people he conveyed warm congratulations to the Algerian people on the occasion of the 25th anniversary of the Republic's independence and wished them successes and flourishing along the road of building a new society.

Also today the Soviet members of parliament visited the memorial to the heroes of the Algerian revolution and laid a wreath.

PRAVDA CITES DOBRYNIN TALKS WITH TANZANIAN OFFICIAL

PM150923 Moscow PRAVDA in Russian 11 Jun 87 Second Edition p 4

[TASS report under the general heading: "Talks Held"]

[Text] A.F. Dobrynin, secretary of the CPSU Central Committee, received Salim Ahmed Salim, member of the Revolutionary Party of Tanzania [CCM] Politburo and Tanzanian deputy prime minister and defense minister, 10 June.

During their talk the proximity or coincidence of positions on topical problems of the struggle for peace and international security and against imperialism, colonialism, and racism were satisfactorily noted.

Certain questions of the further development of Soviet-Tanzanian cooperation and CPSU-CCM ties were discussed.

A.F. Dobrynin briefed the guest on the progress in implementing in the country the decisions of the 27th CPSU Congress and subsequent party Central Committee plenums.

Salim Ahmed Salim stated that Tanzania is following the process of restructuring in the USSR with vivid interest and sympathy and wishes the Soviet people success in implementing the party's plans.

I. Sepetu, member of the CCM National Executive Committee and Tanzanian ambassador to the USSR, was present at the meeting, which was held in a warm and friendly atmosphere.

DOBRYNIN, BRUTENTS MEET SUDANESE VISITORS

PM151404 Moscow PRAVDA in Russian 14 Jun 87 Second Edition p 4

[TASS report: "Meeting at the CPSU Central Committee"]

[Text] A.F. Dobrynin, secretary of the CPSU Central Committee, and K.N. Brutents, candidate member of the CPSU Central Committee and deputy chief of the CPSU Central Committee International Department, met 12 June with a Sudanese Communist Party [SCP] delegation comprising M. Nugud, general secretary of the SCP Central Committee, and M. Mahjub and M. al-Tayyib, members of the SCP Central Committee.

The CPSU representatives talked about the restructuring of all areas of sociopolitical life under way in the Soviet Union in the interests of ensuring socialism's transition to a new and higher level. The active peace-loving foreign policy pursued by the CPSU and the Soviet state wholly accords with their creative course.

The Sudanese comrades provided information on the party's activity since the ouster of the antipeople dictatorship in Sudan — activity aimed at rallying the country's patriotic forces to strengthen national independence and the democratic institutions created as a result of the April (1985) movement, ensuring a political solution to the south's problems, and developing the economy.

The meeting participants stated that communists' struggle for social progress is inconceivable without close links with the struggle to resolve the most important problems of the day, primarily mankind's survival. They reaffirmed the desire of both parties to rally the world's communists and ensure cooperation with all antiwar and democratic forces.

It was noted that in the face of the neoglobalism policy pursued by the United States it is important to strengthen cooperation among all forces advocating peaceful coexistence, equal cooperation among states, and the settlement of regional conflicts by political means.

The meeting participants advocated the convening of an international conference on the Near East with the participation of all interested parties, including the PLO.

It was stressed that the development of mutually advantageous and equal Soviet-Sudanese relations accords with the important interests of the Soviet Union and Sudan.

The CPSU and SCP representatives expressed their parties' desire to strengthen the fraternal relations between them.

MOSCOW REPORTS ANGOLAN PARTY DELEGATION VISIT

LD021946 Moscow Television Service in Russian 1537 GMT 2 Jun 87

[From the "Novosti" newscast]

[Text] An Angolan party delegation headed by de Sousa, member of the Central Committee of the Popular Movement for the Liberation of Angola-Party of Labor and head of the organizational department, stayed in the Soviet Union from 22 May until 1 June. The delegation was received by Comrade Razumovskiy. The Angolan comrades had meetings and conversations in departments of the CPSU Central Committee.

FURTHER REPORTAGE ON SHEVARDNADZE BULGARIA VISIT

Laus Wreaths in Sofia

LD151356 Moscow TASS International Service in Russian 1055 GMT 15 Jun 87

[Text] Sofia, 15 Jun (TASS) — E.A. Shevardnadze, member of the CPSU Central Committee Politburo, USSR minister of foreign affairs, who is paying an official friendly visit here, laid wreaths to Georgi Dimitrov's mausoleum, a monument to V.I. Lenin, and a monument in honor of the liberating Soviet Army.

Holds Talks With Mladenov

LD151707 Moscow TASS in English 1639 GMT 15 Jun 87

[Text] Sofia, June 15 TASS — Talks between member of the Political Bureau of the CPSU Central Committee, USSR Foreign Minister Eduard Shevardnadze and member of the Political Bureau of the Central Committee of the Bulgarian Communist Party, foreign Minister of the People's Republic of Bulgaria Petur Mladenov were held in Sofia today.

The sides had a thorough exchange of opinions on a wide range of international problems and questions of bilateral relations.

Complete identity of views was confirmed in the assessment of the present-day situation in the world and conviction was expressed that the present-day international situation shows again that it is only advance toward a nuclear-weapon free and non-violent world, creation of an all-embracing system of international peace and security that can guarantee the survival of humanity.

The Bulgarian side expressed complete support for the Soviet Union's line at the talks with the United States in Geneva on nuclear and space arms.

Questions of security and cooperation in the European continent were thoroughly discussed. The course of the Vienna meeting of the participating countries in the Conference on Security and Cooperation in Europe was analysed. The sides emphasised the importance of opening large-scale talks for purposes of radical reduction of armed forces and conventional armaments, of tactical nuclear weapons in Europe with corresponding lowering of military expenditures.

The Soviet side proclaimed again a firm support for the proposals of Bulgaria and Romania aimed at creating a nuclear and chemical weapons free zone in the Balkans, the Soviet Union's readiness to give the necessary guarantees for non-emplacement and non-use of nuclear and chemical weapons in the zone. [Moscow Domestic Service in Russian at 1800 GMT on 15 June reports on the talks and adds: "On behalf of the Soviet Government, Comrade Shevardnadze passed on to Petur Mladenov an invitation to go to the Soviet Union on an official friendly visit. The invitation was accepted with gratitude."]

MLADENOV HOSTS DINNER FOR SHEVARNADZE IN SOFIA

Shevardnadze Criticizes NATO

LD0152019 Moscow TASS in English 1854 GMT 15 Jun 87

[Text] Sofia June 15 TASS -- "The Warsaw Treaty countries have stated at the highest level of authority that they will not attack any state under any circumstances and will never be the first to use nuclear weapons," said Eduard Shevardnadze, a member of the Political Bureau of the CPSU Central Committee, minister of foreign affairs of the USSR.

He was speaking at a dinner in Sofia given in his honor by Petur Mladenov, a member of the Political Bureau of the Central Committee of the Bulgarian Communist Party, minister of foreign affairs of the People's Republic of Bulgaria.

The Soviet minister said that nothing had been heard in reply to that statement.

"This is understandable, for the doctrine of the Atlantic alliance does not stand an open comparison either from the point of view of its direction or as far as the nuclear element is concerned. NATO has not given up and does not want to give up the idea of a first nuclear strike," Eduard Shevardnadze went on to say.

"Bulgaria and Romania which make up the southern flank of the Warsaw Treaty are confronted by the countries that form the southern flank of NATO. But, whereas Bulgaria and Romania have no single foreign military base on their soil, not a single nuclear missile, not a single nuclear munition, NATO's southern flank is overloaded to a breaking point with U.S. bases and a massive number of nuclear weapons," Eduard Shevardnadze emphasized.

"(?Moreover), both Bulgaria and Romania stand in favor of the establishment in the Balkans of a zone free from nuclear weapons. However, this idea is clearly not to the liking of those who are shaping NATO's policy and using the territory of other countries for nuclear depots. In the past this region was referred to as a 'Europe's powder cellar' -- and some are wishing to reserve it in the status of a nuclear depot now," observed the Soviet foreign affairs minister.

"It is easy to guess with whom and with what the sympathies of the Soviet Union and our entire community are. It is easy to realize what the socialist countries are working for, what they are striving for -- from nuclear weapon-free regions to a nuclear weapon-free world. We proposed to paint a big nuclear zero around this entire planet. We have done and will do as much as possible to make such perception of the future world a reality. But the U.S. is not prepared for such a solution.

"Then we proposed a zero-zero draw to the Americans and West Europeans -- on medium-range and shorter-range missiles. In politics, an agreed-upon draw is not something objectionable. And yet it took our Atlantic partners one and a half months to think it over and in the end, at another Reykjavik meeting, they consented to the two zeroes. But how diminished they are -- the much awaited symbols of the continent's liberation from nuclear missiles. They are, so to say, prickling zeroes bristling with nuclear warheads of Pershing-1A missiles owned by the United States and stationed in West Germany," Eduard Shevardnadze said.

"And still the ice is broken, as they say. Things are moving, the West's outright obstruction seems to be off at this stage. But is it entirely so? The Geneva negotiations and the decoding of the interpretations of the NATO decision (?by the) American side will demonstrate that," the Soviet minister said.

Mladenov on Warsaw Pact

LD152027 Moscow TASS in English 1952 GMT 15 Jun 87

[Text] Sofia June 15 TASS — "The consolidation and deepening of the European process is the main line of the concerted policy of the fraternal socialist countries," member of the Political Bureau of the Central Committee of the Bulgarian Communist Party, foreign minister of the People's Republic of Bulgaria Petur Mladenov said here today. He spoke at a dinner in honour of member of the Political Bureau of the CPSU Central Committee, USSR Foreign Minister Eduard Shevardnadze on an official friendly visit here.

"The recent conference of the Political Consultative Committee of the Warsaw Treaty member-states was a clear and convincing proof of the essence of their foreign policy course. It was not just a defensive doctrine, but a doctrine directed against war, a doctrine of averting nuclear catastrophe that was proclaimed for the first time in history," the foreign minister of the People's Republic of Bulgaria said. "That doctrine stated clearer than ever that the arms race and confrontation is not our policy, that we look not for rivals, but for partners capable of soberly appraising the realities of the nuclear age, partners with whom the problems existing in the world can be openly and honestly discussed and resolved with duly taking into consideration each other's interests and gradually lowering the level of military confrontation."

He pointed to the need of upgrading the mechanism of foreign policy interaction of the Warsaw Treaty member-countries, of increasing their collective contribution to ridding humanity of nuclear menace, to humanisation of international relations.

"Our activity is wholly aimed at turning the Balkans into an area of peace, mutual understanding, goodneighborliness and cooperation, at creating a nuclear and chemical weapons free zone in the Balkans," Petur Mladenov said.

FURTHER REPORTAGE ON PAPAL VISIT TO POLAND

'Provocative' Gdansk Demonstration

PM151507 Moscow PRAVDA in Russian 14 Jun 87 Second Edition p 5

[Own correspondent O. Losoto dispatch: "Provocative Demonstration in Gdansk"]

[Text] Warsaw, 13 Jun — Pope John Paul II's visit to Poland is continuing. Today's TRYBUNA LUDU writes about his stay in Gdansk and Czestochowa. In particular, he visited Westerplatte, where Poland suffered the first strike from fascist Germany on 1 September 1939.

In Gdansk, just as previously in Krakow, TRYBUNA LUDU reports, several thousand people attempted to organize a provocative demonstration after the pope's meeting with the faithful. Most of the participants in the service did not join in the demonstration. The groups of agitators were dispersed as a result of appeals and resolute actions by the militia.

PAP Cited on Visit

LD151718 Moscow Domestic Service in Russian 1300 GMT 15 Jun 87

[Text] John Paul II, head of the Roman Catholic Church, completed his official visit to Poland on Sunday. Commenting on the results of the visit, PAP notes that it passed in a calm atmosphere of good will and was characterized by cooperation between the state and church authorities. Those who were reckoning on exploiting the visit to whip up tension in the country, to provoke disorder and undermine the process of stabilization saw their hopes disappointed, and this bears eloquent testimony to the fact that over the past few years positive processes have been gaining momentum in Poland, that national consensus has been growing stronger, that the society's maturity has been developing, and that democracy has been growing more refined and profound.

At the same time, the PAP commentary notes, there was an insignificant group of people in the country who tried to disrupt the normal course of the religious events and to poison the atmosphere of the visit by provoking disorder. But they received no support and, moreover, their attempts were resolutely cut short by the vast majority of believers.

Assessing the stance of the Western journalists who came to Poland to cover the visit, the leaders of the Roman Catholic Church and the news agencies note that a section of them had not the slightest interest either in the true picture of life in Poland today, or even in the visit itself. They concentrated their full attention on the rare displays of antinational forces, regarding them as the principal aspect of the Pope's trip. In addition, they had prepared in advance to cover the visit in that way, clearly counting on exploiting it in the unsightly political game against the Polish socialist state.

MOSCOW DENIES REPORT ON TALKS WITH RUST'S PARENTS

LD151332 Hamburg DPA in German 1254 GMT 15 Jun 87

[Text] [No dateline as received] The Soviet Foreign Ministry today rejected reports from the Foreign Ministry in Bonn that Rust's parents had been promised talks at the Soviet Foreign Ministry on Tuesday morning. "This report is not consistent with reality," a staffer of the USSR Foreign Ministry told DPA in Moscow.

TOLKUNOV-LED DELEGATION VISITS SWITZERLAND

Departs Moscow 31 May

LD311120 Moscow TASS in English 1057 GMT 31 May 87

[Text] Moscow May 31 TASS -- A delegation from the Supreme Soviet (parliament) of the USSR led by Lev Tolkunov, chairman of one of its chambers, namely the Soviet of the Union, left Moscow for the Swiss Confederation today on an official visit at the invitation of that country's Federal Assembly.

Welcomed by Dobler

LD311401 Moscow TASS in English 1220 GMT 31 May 87

[Text] Zurich May 31 TASS -- A delegation from the Supreme Soviet (parliament) of the USSR led by lev Tolkunov, chairman of one of its chambers, namely the Soviet of the Union, arrived in Switzerland today on an official visit at the invitation of the Federal Assembly.

It was welcomed at Kloten Airport by A. Dobler, president of the Council of States of the Swiss parliament, who cordially greeted the Soviet guests.

Tolkunov said in a reply statement that the Soviet delegation attached much importance to the visit and was going to discuss the issues of strengthening European security and world peace as well as Soviet-Swiss relations and to continue talks started last year in Moscow during a visit by a Swiss parliamentary delegation to the Soviet Union.

Meets With Stich, Deputies

PM050939 Moscow IZVESTIYA in Russian 4 Jun 87 Morning Edition p 4

[TASS report: "Stay in Switzerland"]

[Text] Bern, 3 Jun -- The official visit to Switzerland by a USSR Supreme Soviet delegation headed by L.N. Tolkunov, chairman of the USSR Supreme Soviet of the Union, is continuing. The Soviet delegation was received today by Swiss Vice President O. Stich, who expressed satisfaction with the level of Soviet-Swiss relations and advocated their further development in all areas. There was also a meeting with deputies from both houses of the Swiss parliament.

During the talks with the country's statesmen there was an exchange of opinions on current international problems and questions of the development of Soviet-Swiss relations. Both states' parliamentarians pointed to the seriousness of the threat to all mankind posed by the armed race -- particularly the nuclear arms race -- and the danger that it will spread to space. They stressed the growing role of Europe and all European countries in the efforts to reduce military confrontation. In this regard the importance of the recent Soviet proposals on the elimination of medium-range and operational and tactical missiles on the European continent was noted and the need to further develop the all-European process and ensure its balanced progress in all areas was stressed.

The Swiss representatives showed considerable interest in information on the transformations currently under way in the USSR, the restructuring of all aspects of Soviet society's life, and the deepening of socialist democracy. The Soviet and Swiss parliamentarians stressed the great importance of regular reciprocal contacts for the cause of strengthening and developing all the good and positive achievements in relations between the two countries. They agreed to continue parliamentary exchanges and expressed confidence that the present visit by the USSR Supreme Soviet delegation would make a considerable contribution to improving mutual understanding and trust between the Soviet and Swiss peoples.

The same day a reception was held at the Soviet Embassy in Switzerland in honor of the USSR Supreme Soviet delegation. The subsequent news conference was addressed by L.N. Tolkunov, head of the Soviet parliamentary delegation.

Ends Visit 6 Jun

LD061604 Moscow TASS in English 1539 GMT 6 Jun 87

[Text] Geneva June 6 TASS -- The USSR Supreme Soviet delegation, led by Lev Tolkunov, chairman of the Council of the Union of the USSR Supreme Soviet and chairman of the USSR parliamentary group, ended its official visit to Switzerland today.

During the visit the Soviet MPs were received by Vice President of the Swiss Confederation Otto Stich. Meetings and talks were also held with deputies of the National Council of Switzerland's Parliament, statesmen and public figures to exchange views on urgent international issues and Soviet-Swiss relations.

TURKISH FINANCE MINISTER ALPTEMUCIN VISITS MOSCOW

Meets With Officials

TA190752 Ankara Domestic Service in Turkish 2000 GMT 18 May 87

[Text] Finance and Customs Minister Kurtcebe Alptemucin is continuing his official contacts in the Soviet Union. The development of economic and commercial relations was discussed during today's talks between the delegations of the two countries. The talks also focused on the installations to be constructed by Turkish contracting firms in the Soviet Union.

Alptemucin also held a bilateral meeting with Chairman of the Soviet State Committee for Foreign Tourism Pavlov.

During the meeting, Pavlov said that in addition to the hotels and winter sports complex to be built in Baku, Yalta, and [name indistinct], the construction of another hotel in Odessa may also be undertaken by Turkish firms.

Received by Kamentsev

PM021335 Moscow Izvestiya in Russian 23 May 87 Morning Edition p 5

[TASS report under rubric: "Official Reports"]

[Text] On 21 May V.M. Kamentsev, deputy chairman of the USSR Council of Ministers, received Turkish Finance and Customs Minister A. Alptemucin.

Questions of the state of and future prospects for developing trade and economic cooperation between the two countries were discussed.

O. Cankardes, Turkish ambassador to the USSR, was present at the conversation.

OFFICIALS EXCHANGE CABLES WITH GREEK PREMIER

PM021323 Moscow IZVESTIYA in Russian 23 May 87 Morning Edition p 1

[TASS report: "Exchange of Telegrams"]

[Text] The USSR Council of Ministers sent Greek Prime Minister Andreas Papandreou a telegram conveying to him and the Greek Government congratulations and best wishes on the occasion of the Greek national holiday — Independence Day.

The telegram notes that the Soviet Government regards the all-round development of friendly Soviet-Greek relations and the consistent efforts of the USSR and Greece to consolidate peace and achieve positive changes on disarmament questions as an important contribution by our peoples to ensuring international security and a peaceful future for mankind, and it also expresses a readiness for further cooperation in achieving these noble aims.

In his answering telegram the Greek prime minister expressed sincere gratitude to the USSR Council of Ministers for the congratulations and good wishes and for his part sent the government and people of the USSR best wishes for progress and prosperity.

The telegram expresses the confidence that the constantly improving friendly relations and cooperation between Greece and the USSR make a considerable contribution to international cooperation and detente, and also to strengthening peace and ridding the planet of nuclear weapons.

ENVOY FOKIN ON REPORT TO SECURITY COUNCIL

NC111708 Nicosia Television Service in English 1545 GMT 11 Jun 87

[Text] The Soviet ambassador to Cyprus, Mr Yuriy Fokin, today repeated that the Soviet Union has approached the permanent members of the Security Council and European Community countries to inform them on Soviet efforts to help find a solution to the Cyprus question.

He added he could not say that his country found a favorable response. Speaking at a news conference in Nicosia, Mr Fokin referred to the latest UN report on Cyprus and said the secretary general should not just relay the views of other countries on the idea of an international conference on Cyprus, but should try to adopt a more constructive role.

TURKEY'S 'MILITARIST PLANS' CAUSE SUSPICION

PM151601 Moscow IZVESTIYA in Russian 7 Jun 87 Morning Edition p 4

[Article by L. Manzhosin: "Turkey -- The Stereotypes of the Militarist Approach"]

[Text] The ideas of disarmament and constructive cooperation between states have many partisans in Turkey. The Soviet foreign policy program to rid mankind of the threat of nuclear self-destruction by the year 2000 received a positive assessment in official announcements by its leaders.

However, this in no way prevents the active implementation of plans to militarize the country, which have incidentally been worked out right through the end of the present millenium. This shows the effect of the persistent stereotypes in Ankara's bloc approach to many foreign policy problems, which has intensive transatlantic support. It is precisely due to U.S. pressure that many NATO countries have been obliged to join the new arms race spiral with increasing vigor.

Already, according to foreign press reports, something in the order of 4 billion dollars has been allotted to the plans for modernizing the Turkish Army, and the military budget swallows up approximately one-fourth of all government expenditure. In addition to purchases of foreign, mainly U.S. and FRG military equipment, and the organization of joint military production, the task is set of developing new military sectors in Turkey itself so that it can supply its own future military requirements. With this in view accelerated expansion of the industrial base is in progress, using U.S. and West European licenses and oriented toward creating the necessary capacities and structures to produce modern military equipment in the country -- from submarines to air defense installations and F-16 fighters.

To reinforce the military boom, interested circles have been showing unprecedented initiative: International military exhibitions were recently held for the first time in Istanbul and Ankara, the first of these under the significant motto "Armament 2000."

In the United States, Turkey's main partner in NATO, some people try to maintain that the arms race and military orders can supposedly stimulate the economy, create new jobs, and so on. This is hardly a recipe that actually works in real life. As far as Turkey is concerned, working people's real incomes, for example, have decreased 1.6 times over the last 2-3 years, and the country's foreign debt has increased by 70 percent over the same period to top 31 billion dollars.

Not so long ago an agreement between Ankara and Washington on cooperation in the defense and economy areas was extended through 1990. The essence of this document is to keep inviolate the status of up to 60 "joint-use" U.S. military bases on Turkish territory, and also to apply maximum effort to ensuring further modernization of the army and the military industry.

So, the statements about wanting peace and disarmament are still only words, whereas the reality is militarization of the economy and modernization of an army which is, incidentally, inferior in numbers within NATO only to the U.S. Army. Is it not time to look at life afresh and try to recognize the simple truth that the arms race is the road to nowhere. And one more thing: Turkey's militarist plans cannot help but sow seeds of mistrust and suspicion among its neighbors. And those who are now militating for the implementation of these plans would do well to think about this.

ITALY 'POSITIVELY APPRAISES' EUROMISSILE PLAN

PM271131 Moscow IZVESTIYA in Russian 22 May 87 Morning Edition p 1

[TASS report under the rubric "Reports From Abroad": "Italy: Positive Government Appraisal"]

[Text] Rome, 21 May — The Italian Government has positively appraised the proposal to eliminate medium-range missiles and operational and tactical missiles in Europe.

This was said yesterday by Giulio Andreotti, Italian minister for foreign and EEC affairs. He was addressing members of the Chamber of Deputies' commissions on foreign affairs and defense issues. The session was devoted to East-West relations and disarmament talks. At the same time G. Andreotti pointed out that Italy has yet to work out a definitive stand on this issue and is continuing consultations with the United States and other NATO allies in Europe.

If an agreement were to be concluded on medium-range missiles, G. Andreotti noted, for the first time in the history of arms control we would achieve a considerable reduction in missiles already deployed. Moreover, such a reduction would be accompanied by a new type of verification and would therefore contribute to strengthening mutual trust.

Progress in the disarmament sphere, according to him, could "open up prospects which could not possibly have even been imagined several years ago."

G. Andreotti reminded those present that Italy has spoken in favor of observing the ABM Treaty, urging the United States to give serious thought to the consequences of "broadly interpreting" such an important agreement.

BORDER GUARD'S DELEGATION VISITS FINLAND

PM120953 Moscow KRSNAYA ZVEZDA in Russian 11 Jun 87 First Edition p3

[Unattributed report: "Stay in Finland"]

[Text] A delegation of Soviet Border Guards led by Army General V.A. Matrosov, chief of Border Guards, has been in Finland on an official friendly visit at the invitation of Lieutenant General E. Ilmari Kirjavainen, chief of the Finnish Border Guards Directorate.

CASTRO ADDRESSES PROVINCIAL PARTY SESSION

LD131046 Moscow TASS in English 1023 GMT 13 Jun 87

[Text] Havana June 13 TASS — The most noteworthy aspect of the current rectification process is that the party is now at the centre of all the problems. This has been stated by Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba, chairman of the State Council and the Council of Ministers of the republic, at a closing sitting of an extraordinary plenary session of the provincial committee of the Communist Party of Cuba in the city of Havana.

Castro pointed out the need for exerting maximum effort for boosting the all-round development of the country, putting an end to favoritism and other negative phenomena and for creating conditions in this way for attaining the noble goals of the present-day stage of socialist development.

He highlighted the importance of the party's active members setting an example and pointed out that such an example was the best way to influence popular masses.

The Cuban leader specially emphasized the role of political work because, he affirmed, socialism is not built just spontaneously. The party plays a decisive part in it, he said.

ORTEGA ACCUSES U.S. OF THWARTING POLITICAL SETTLEMENT

LD160836 Moscow TASS in English 0728 GMT 16 Jun 87

[Text] Managua June 16 TASS — Nicaraguan President Daniel Ortega accused the United States of attempts to thwart the process of a political settlement in Central America and a Guatemalan summit of Central American countries to be held on June 25-26. Ortega noted in a statement to pressmen on Monday that the Reagan Administration was not interested in any dialogue and negotiations and banked on a military solution of the Central American crisis. The Nicaraguan leader again favoured holding the Guatemalan summit at the fixed time. In this connection Ortega rejected a proposal by Salvadoran President Duarte to put off the summit to August. He called on the Salvadoran president to show wisdom and responsibility in his approach to such important questions as achieving peace in Central America. "The present tense situation in the region is the result of Washington's provocative actions," pointed out Ortega.

PRAVDA REPORT ON CPSU 8-9 JUNE ECONOMIC CONFERENCE

PM151351 Moscow PRAVDA in Russian 13 Jun 87 Second Edition pp 1-3

[TASS Report: "The Fundamental Question of Restructuring; Conference at the CPSU Central Committee"]

[Text] As reported earlier, a conference was held at the CPSU Central Committee 8-9 June on questions of the radical restructuring of the management of the economy which are being submitted for discussion at the next CPSU Central Committee plenum.

Taking part in the conference were M.S. Gorbachev, general secretary of the CPSU Central Committee; Central Committee Politburo members L.N. Zaykov, Ye. K. Ligachev, and N.I. Ryzhkov; and Central Committee Politburo candidate members B.N. Yeltsin, N.N. Slyunkov, and N.V. Talyzin.

Leaders of enterprises, associations, ministries, and departments, and scientists and party workers were invited to attend the conference.

The conference was opened by M.S. Gorbachev. At the end of the month a party Central Committee plenum, he said, is to be held. On its agenda is the cardinal question of the restructuring of the management of the country's economy. The plenum's task is to adopt the kind of decisions which would make it possible to introduce a new integrated system of management of the country's economy during the intensification stage. This is of decisive importance since it is a matter of basic, key questions of restructuring.

I would like to make a few observations and hear your opinion on three points.

The first question -- how is restructuring progressing not just in the economic sphere but in society as a whole? After all, you represent various regions of the country and are directly and daily involved in the activity of labor collectives. What are party and soviet organs and ministries doing at the moment? You have the opportunity to state your viewpoint, to give your assessment of what is happening at this stage of the restructuring which began after the party Central Committee January Plenum.

Second question -- what is your opinion of the draft Law on State Enterprise? You are familiar with it, some of you took part in its nationwide discussion, some of you expressed your opinion publicly, while others studied it in their collectives and party organizations. You yourselves have obviously given some thought to this document, comparing it, as it were, with the realities in which specific enterprises or labor collectives are operating. Naturally, you have something to say to the Central Committee concerning this draft law. We must examine it at the Party Central Committee June Plenum and at the next session of the USSR Supreme Soviet and to approve it and pass it in the form of a law. When we are thinking about a radical restructuring of the management of our economy then, naturally, the question of the basic component of this economy and its position in the integrated system of management becomes a cardinal question.

Speaking about the past it is possible to say that probably the biggest shortcoming lay in the fact that we used to begin from above. [paragraph continues]

In a way this is logical for a planned economy. However, on this occasion we have decided to begin with the basic component because as soon as we set about examining questions of planning and management at the level of central organs, there was nothing left for the enterprise -- the upper echelons grabbed everything. Cardinal measures did not follow. The new provisions and recommendations that reached enterprises were half-baked and incomplete and we never succeeded in getting this process off the ground, getting through to people's minds, and bringing everything to a logical conclusion. This is why in the sixties and seventies the reform and our efforts to improve economic management failed to produce the full effect.

Now we have started from square one -- from the enterprise or association. We must above all consider well and find the parameters which will make it possible for the basic component -- the enterprise or association -- to realize the potential of the socialist economy, of our system of economic activity, of the labor collective. For this reason it is very important for us to have your opinion, your assessment of this document.

At the same time, posing the question in this way, we understand that if we separated the Law on State Enterprise from the other elements which constitute the integrated system of the management of our economy, this would place the enterprise in a difficult position. It would not be able to realize its full potential and to switch to new methods of economic activity, above all to economic accountability [khozraschet], self-financing, and self-recoupment. Therefore the work on the law was carried out simultaneously with the radical restructuring of the top echelons of economic management. This applies to government organs and economic departments which play a tremendous role. One of the key questions in the interpretation of the new role of the center was clarifying what the ministry as the headquarters of a sector should be like.

The CPSU Central Committee Politburo has now examined virtually all avenues of the improvement of central economic management organs. It must be said that this is not a simple matter and a great debate is in progress at all levels. This is quite normal, because we are faced with the solution of major questions and, naturally, it is best to solve them with the least possible losses.

Now the third question -- how do you picture the role of the central management organs?

These are the three problems on which we must focus our attention.

Since the Law on State Enterprise comes into force as from January of next year, it is obvious that it is necessary also to switch central organs to the new conditions of work. This means completing all the preparations within the current year.

We have discussed draft resolutions at the Central Committee Politburo, however we did not adopt any decisions, we did not pass any of them definitively but we have issued instructions that they be finalized taking account of the results of the discussion. We will work on these questions also at the party Central Committee Plenum. When the USSR Supreme Soviet session finally passes the law, it will be necessary to coordinate all the resolutions and to adopt them.

Our intention is this: Reform is a serious matter, a large-scale matter. It is not like turning over a page in a book or living through a day. [paragraph continued]

It is necessary to pass through stages to reach the aims whose foundations we are laying today. A great deal will depend on the ideas and documents with which we enter this initial stage.

The questions we are discussing today are of great political significance. At this crucial moment the party must have its say. People are now searching how to improve the work of our economic mechanism and how to develop socialist democracy and the political system further. Now, more than ever, we need a democratic discussion of all these problems and we need the creativeness of the people.

A report [soobshcheniye] on the basic avenues of the restructuring of the management of the economy was delivered by CPSU Central Committee Secretary N.N. Slyunkov.

On the basis of the decisions of the Central Committee April Plenum and of the 27th party congress, he said, major political, economic, and organizational measures have been adopted in the country for the acceleration of our society's development. A new structural-investment policy has been drawn up and is being implemented. Efforts and means are being concentrated in the most important avenues of the development of scientific and technical progress. Over a brief period the experimental verification of new economic methods has been carried out. Enterprises of a number of sectors of the economy have been switched to full economic accountability [khozaschet] and self-financing. However, so far radical economic transformations have not come about.

A cost-intensive [zatratnyy] mechanism with the preservation of gross output indicators continues to operate in the economy. It naturally stimulates a rise in expenditures and the greater they are so the volumes too are greater. The inefficient running of economic activity is determined by the diktat of the producer over the consumer. In its turn, this creates a deficit in the national economy because production is not subordinated to the requirements of the consumer and he does not have a choice but has to take what he is offered. All this leads to the production of output which is not needed and which is often of low quality. High cost-intensiveness is maintained by capital investment which is nonrepayable and by [foreign] currency funds. All this is at the expense of budgetary assets.

Enormous state grants, the massive nonreturn on low-interest loans, and also the existing prices encourage the inefficient use of resources. For fuel and raw materials they are between 1.5 and 3 times smaller than world prices. On the other hand, prices for foodstuffs are on average half as much as the costs of their production. There is no direct link between the lowering of expenditures, the efficiency of economic activity, and the material reward of the labor collective. Workers, engineers, technicians are not in fact genuine masters of the resources and they treat them as if they do not belong to anyone. They are only feebly enlisted into management and they do not feel that they are fully fledged participants in the common cause.

To finally overcome the cost-intensive mechanism it is necessary comprehensively to complete in a short time the transition to a new integral system of management of the economy. The main thing is to find an optimal correlation between centralized planning and the independence of enterprises.

The forthcoming CPSU Central Committee plenum must discuss and draw up basic provisions for a radical restructuring of the management of the country's economy. It is proposed that the restructuring of management be begun with the improvement of the economic mechanism of the enterprise.

The main task of creating a new economic mechanism for enterprises is to enhance their independence and strengthen responsibility for the results of economic activity on the basis of full economic accountability [khozraschet] and broad self-management.

From being a simple executor of plan targets handed down from above which regulate its every step, the enterprise is transformed into an active operative [subyekt] in planning. It is not the ministry that will determine and prescribe the whole production program as an injunction, but the enterprise itself. It will be guided by stable economic normatives, by state orders, and by control figures. Control figures will not be directive indicators and will not fetter the initiative of enterprises in the choice of economic decisions. Proceeding from state orders, direct orders from consumers, long-term economic normatives, and control figures and quotas, the enterprise independently compiles and approves its own 5-year plan.

But there are no rights without obligations. An enterprise must not sponge upon the state. Moreover, from assets earned as a result of its own activity, it must also maintain not only itself but the state.

Hence also the need for an enterprise to work in line with the principles of full economic accountability [khozraschet] and self-financing. Budget financing, as a rule, is excluded. Each enterprise is obliged to participate in the formation of the state budget, making payment for the production capital, manpower, and natural resources that it uses, including land and water. These payments are not only a stable source of income for the state but also an important stimulus for the rational use of production resources insofar as the smaller the volume of resources used, the smaller is the payment.

The implementation of radical transformations in the position of enterprises of course requires cardinal changes in functions, in the methods of activity, and in the organizational structure of all management organs superior to the enterprises, and the restructuring of the work of the country's economic departments. Above all, what is necessary is the radical restructuring of the activity of the ministries. So far they are coping unsatisfactorily with the tasks of management, they carry out long-term planning badly, inefficient use is made of state budget means, and likewise of centralized funds for the creation of new capacities. The result is disproportions, deficit, and an underrating of the development of the social sphere.

The activity of ministries is also inefficient in scientific and technical progress which has led to the fact that the scientific and technical standard of a number of sectors lags significantly behind the best world standard. Ministries are poor at performing work to eliminate the unprofitability of enterprises. Instead of these chief issues, the sector headquarters are almost wholly occupied with the current operational running of associations, and they interfere by administrative methods in the associations' economic activity which was also one of the reasons for the low efficiency of enterprises under their jurisdiction.

For the radical improvement of the activity of ministries it is proposed that they be relieved of the function of operational management of enterprises and that the fallacious practice of redistributing assets from highly efficient enterprises to inefficient and loss-making ones be terminated. Ministries must in fact become the scientific-technical and planning and economic headquarters of sectors.

They are obliged to be accountable to the country for satisfying long-term needs regarding the products produced by the sectors, they must forestall disproportions, and ensure that the production technology and product quality reach the top world standards. Their task is to efficiently conduct work on the basis of more profound specialization and production sharing, and the more sophisticated organization and structure of production.

It is important to enhance the activeness of ministries in foreign economic activity, in the training, retraining and enhancement of the qualifications of cadres. The ministries' new tasks and functions require the reduction and simplification of the structure of their apparatus, the strengthening of its scientific-technical and planning and economic subdivisions, and the elimination of that part of the apparatus which is engaged with operational economic functions. The apparatus must master economic methods of leadership, achieve a democratization of style, and enhance openness in work.

In accordance with changes in the economic mechanism, the activity of the economic departments — Gosplan, Gossnab, the Ministry of Finance, the banks, and also the councils of ministers of union republics and local organs — will also be restructured. The main avenue of their restructuring is the transition to economic methods of leadership.

The sharp rise of the role and responsibility of enterprises in planning creates real conditions for USSR Gosplan to indeed become the country's economic headquarters. It must concentrate efforts in strategic avenues of the planned leadership of economic and social development, on the shaping of the most important national economic proportions, on the implementation of the chief scientific and technical achievements, on the improvement of the structural investment policy, and on ensuring the balanced nature of the national economy.

The constant fine-tuning of the economic mechanism, the creation of economic preconditions for the efficient work of enterprises, and the drawing up of well founded economic normatives and quotas which will ensure the close coordination of the economic accountability [khozraschetnyy] interests of enterprises with statewide interests must become paramount in Gosplan's activity.

The planning of science and technology, and also the use of their achievements must be substantially improved. For this, it is proposed that not only economic methods be applied which will stimulate the speediest large-scale introduction of scientific and technical achievements, but also that generalizing indicators which characterize the economic effectiveness of scientific and technical progress will be introduced into state plans. In the development of applied scientific research it is proposed that a switch be made to the principles of economic accountability [khozraschet] and self-financing. It is essential to finance not scientific establishments, but scientific developments. A scientific development [razrabotka] is also a marketable product involving definite expenditures. A scientific commodity must have a purchaser with its value being repaid.

The material and technical supply system must be restructured and brought into line with the new conditions of economic activity, taking into account the expansion of enterprises' independence. Economic forms of the distribution of resources through the gradual transition to wholesale trade in the means of production must receive priority. It must become the basic form of material and technical supply.

It is planned to carry out a reform of prices during which the organic link between wholesale, purchase, and retail prices and tariffs must be ensured. It is envisaged that the practice of price formation will be radically altered and that these prices will consistently reflect socially necessary expenditures, and their stimulating influence on accelerating scientific and technical progress, the renewal of products, and on the enhancement of their quality will be intensified. It is exceptionally important to impart to price formation a cost-conscious nature. The role of prices in shaping plan proportions, in bringing about progressive changes in the economy, and in the implementation of social policy will rise.

New approaches in finances and credit consist primarily in the creation of economic accountability [khozraschetnyy] conditions for the functioning of enterprises and the enhancement of their vested interest in the growth of monetary accumulations. The financial mechanism must be based fully on long-term, stable normatives and norms. This will provide an opportunity for enterprises to independently build their own financial base without interference from above to solve the tasks of socioeconomic development.

The banks are called upon to become active participants in the economic activity of enterprises, to become interested partners of the enterprises. The enterprises must make efficient use of loans and repay them promptly. It is not permissible to continue to take out loans to cover financial hitches or omissions in economic activity.

New tasks are appearing in the management of labor. It is necessary to create a system of efficient employment, job placement, and retraining of workers who are released from their jobs.

Then the participants in the conference spoke.

After the 27th party congress, and especially after the Central Committee January Plenum, we became aware that restructuring was a vital necessity, B.I. Fomin, director general of the Leningrad Elektrosila Association said. It manifests itself above all in the first signs of democratization. This is correct. It is necessary to stop letting people tell you what you should say and what you should do. Here we must proceed from the economy, from the aspirations of the collective in which we are working rather than from administrative regulations. However, the state's interests must come first and foremost. Restructuring in the economic sphere reinforces the process of democratization while democratization, in turn, creates favorable conditions for self-management in labor collectives and for the development of the economy.

Dwelling on questions of improving planning, the speaker noted that at present planning is too centralized and involves too great a number of indicators and that the system for drafting the plan is cumbersome and involves many stages. In his view, the compilation of the plan should be carried out on the basis of direct contracts.

Speaking about the problems of the distribution of resources, B.I. Fomin expressed the opinion that the switch to self-financing and self-capitalization will have a sobering effect on buyers. Since we are always both producers and buyers, in the new conditions no one will now use his own money to buy something that he does not need. The goods which we produce will be sufficient to ensure uninterrupted working.

M.S. Gorbachev: Many people are saying that as soon as we overcome the shortages, we will switch to wholesale trade. Yet it is largely through wholesale trade that we must overcome the shortages. As soon as people switch to self-financing and self-capitalization, orders for equipment diminish. I recall details from my experience in Stavropol Kray. As soon as the collective contract was introduced in the Kazminskiy Kolkhoz, the number of machine operators was reduced by 50 percent. The requirement for machinery went down by 30 and even 50 percent. If people think it is necessary first to get rid of shortages and then to switch to wholesale trade, then I must tell them that that way we will never solve the question.

Rejoinder: Mikhail Sergeyevich! The order sheets show that orders for combine harvesters are down 30 percent.

M.S. Gorbachev: People have started paying with their own money.

A great number of organizations, scientific research institutes, and design bureaus have grown up in the country which are essentially not doing their job, B.I. Fomin continued. No one needs them even right now, yet they continue to exist. The speaker proposed that they be subjected to a certification procedure.

Touching on the question of the role of ministries under the new economic management system, the speaker emphasized that at present the ministries are responsible for everything. They are placed in a situation where they must be prepared to answer any specific question concerning the economic activity of any enterprise. This has forced the ministry apparatus to take cover behind circulars, endless meetings, and collegium sessions. The sector headquarters must be liberated from having to intervene in enterprise affairs on petty issues and devote themselves to the main concern -- the implementation of planning, economic, and technological policy.

Speaking about his attitude to the draft Law on State Enterprise, B.I. Fomin recalled that, in its time, the resolution on associations was also subjected to a great debate. However, after it had been adopted, countless instructions, directives, and regulations were added to it, rendering it virtually inoperative as a result. This lesson must be borne in mind now that we are preparing to pass the Law on State Enterprise. It is necessary to ensure that no one can tamper with it.

V.P. Moskalenko, deputy general director of the Sumy M.V. Frunze Machine Building Science-and-Production Association, spoke about a number of practical questions pertaining to the restructuring of the economic mechanism and the need to create economic conditions which enhance people's responsibility for and interest in achieving high labor results.

Self-financing, he said, is an excellent economic method. If we manage to introduce it, we will undoubtedly obtain high returns. However, experience indicates that certain ministries have switched to the new conditions without creating a substantiated system of economic norms.

We cannot claim we have mastered the mechanism of self-financing if earnings remain of secondary importance, while planning and supply are the prime concern. Even at our association, which is operating this method for the 3d year, we break our necks to get the goods out at the end of the month. In practice, the quantity of goods produced remains the indicator by which we are judged. Unfortunately, even now, the ministry assesses the work of a collective only by the goods produced.

M.S. Gorbachev: The goods production plan has been fulfilled, while at the same time contracts have not been met. This picture applies throughout the country. Let us find a new yardstick with restructuring and the transfer to the principles of economic accountability [khozaschet] and self-financing in mind. Party, soviet, and state organs, all who assess work, must reorganize themselves; the faster the better.

Dwelling on the provisions of the Law on State Enterprise, V.P. Moskalenko expressed disagreement with the views taken of this document by a number of "AvtoVaz" workers.

M.S. Gorbachev: It would be good if you could put this down on paper, if you could assess this document as an economist. People must be given the opportunity to compare different viewpoints and find the best options. It would be simpler to say: Stop arguing. Done. What then? Back to square one. No one says anything. Everything seems all right, a lot of noise from the rostrum, yet things are not moving in the country. Therefore it is necessary to talk openly about everything, although in my view the standard of the discussion needs to be raised. Running to the Central Committee with complaints, as was the practice in the past, should be avoided. There are editors. There is a political line, there are principles, there are demands, and there are criteria -- working for socialism, for the restructuring, in the interests of the people, rather than against socialism, against the people -- this is what we must be guided by in the discussions and in journalistic work.

V.P. Moskalenko considered questions of cadre training. He noted that to ensure the success of the transition to new methods of management it is necessary to improve the economic training of leading cadres in every way. It is necessary to create conditions enabling people to increase their knowledge and improve their skills, but only if they sincerely want this. After all, there are also those who, to put it mildly, neglect their duties, and this applies to workers, designers, economists, and specialists alike. It is necessary to consider measures aimed at educating the slackers.

M.S. Gorbachev: Labor legislation must also be brought in line with the conditions of enterprises operating under economic accountability [khozaschet].

In conclusion V.P. Moskalenko proposed that a special norm be instituted to define the size of the deductions from an enterprise's earnings to be paid into local budgets.

Restructuring is in progress, but we cannot claim that we find the pace at which it is proceeding satisfactory, A.I. Buzhinskiy, deputy general director of the "Avtozil" association, said. The democratization of production and election of leaders are characteristic features of the process of improvement which is currently taking place in the economy. Economic accountability [khozaschet] and democratization are the only correct avenues in the restructuring of the economic mechanism.

The speaker noted that it is extremely difficult to get self-financing correct. In particular, many ministries and enterprises have been allocated less than they need in terms of capital investments in the 5-year plan. Formerly this shortcoming was corrected in the annual plans, and resources were redistributed. This is no longer possible now. This question will have to be looked at. We, for instance, finance all capital construction, including new plants, from our own resources. Not a kopek from the budget. However, since the approved 5-year plan was used as a basis when calculating the normatives, the upshot is that if an enterprise has no capital construction, then what it can deduct from profit is not very much either. [paragraph continues]

Another enterprise, on the other hand, may retain up to 80 percent of the profit.

M.S. Gorbachev: Aleksandr Ivanovich, it seems to me that you have not grasped the point about the distribution of profit. Let us not base payments on profits, but rather use the profits to pay for resources. Labor resources, the various funds, water, and land. If you fulfill the plan by using up more resources, then you also have to pay more, if you use less, it is to your advantage because you pay less to the state. Even if you fail to meet the plan for profits, you still have to pay for resources. Incidentally, payment for resources is not unlike the idea of payment in kind. When you were given a hectare of land, or two hectares, you paid by the hectare, and everything else was yours.

We are now in a transitional period, A.I. Buzhinskiy continued. It is still possible to make adjustments here and there. But the entire system must be finalized in time for the 13th 5-Year Plan. There is hardly any time left: Before we know it, the 13th 5-Year Plan will be upon us. The new economic mechanism will come into play, and it will work only if it is applied equally to all, starting with the top organs of management.

We are self-financing — the whole ministry is. Nonetheless they demand from us: How much did you produce, how many economically accountable [khozraschetnyy] teams do you have, how many machine tools with numerical program control have you in operation, and when we added it all up it emerged that 1,670 different indicators were planned for 1986. They were all approved, signed, and dispatched.

What I am trying to say is this: There will be no order until all this is gotten rid of. After all, there is an indicator which covers it all — the fulfillment of the plan for contract deliveries.

There is one question with which I disagree. This is the normative planning of engineering and technical staff. This is not necessary. After all, there is a norm for wages: What do we need another norm for? If you want to set such norms for scientific research institutes and other establishments, go ahead, but not for enterprises which have a fixed norm for the wage fund. The draft law makes provision for enterprises' right to sell above-plan output as they see fit. We are probably underestimating the potential of this provision. It will be a very powerful and strong lever for accelerating the country's economic development, yet we are not giving it much thought now.

Speaking about the compilation of 5-year plans Yu.A. Peskov, director general of the "Rostselmash" association, came to the conclusion that a differentiated approach to normatives is necessary.

The restructuring has so far not reached the banking system. This is the reason why all kinds of sanctions are being applied which literally "bankrupt" enterprises engaged in retooling.

On the subject of price fixing, the State Agro-Industrial Committee set the task of building a combine to match the best models available in the world. Then, in the process of work, another task arose — to build not one combine, but a series of machines which would be suitable for harvesting all types of crops. However, the profit margin of the "Don" combine came to minus 1.5 percent, that is, the machine made a loss. The association made a cost price loss of R17 million that resulted in a lamentable financial situation.

As for investment policy, I believe that under self-financing a sharp dividing line should be drawn between what we are required to do at our own expense and what we are to do through state capital investments.

In my view the Stroybank [All Union Bank for Financing Capital Investments] should help enterprises to resolve questions of funding capital construction. It should on no account meddle in questions of technology. Concerning material and technical supply, in the longer term, the idea of organizing material and technical supply through trade is good, of course. But I believe for the moment we should be allowed to operate on the basis of direct economic relations through contracts. So far we have not managed to achieve this, and the Gossnab is to blame.

Also, since we are switchig to self-capitalization, why should we be told from "above", by the USSR Gosplan, what percentage of metal we should be saving? A more effective antiexpenditure mechanism is needed.

As for the Law on State Enterprise, we should look at the documents which already exist before we adopt it. That is to say we should tie them up with the Law on the State Enterprise.

M.S. Gorbachev: How about adding just one article to the law stating that anything contradicting the law should be regarded as invalid?

I believe this is exactly what should happen, Yu.A. Peskov continued. Production leaders must be answerable under the law, but under the same law they must also be trusted.

The switch from administrative methods to economic methods calls for a real revolution in people's thinking, said Academician G.A. Arbatov, director of the USSR Academy of Sciences Institute of the United States and Canada. We must take a look at some "sacred cows" and not be afraid to deal with them as they deserve. One of these "sacred cows" is the growth rate. Why should we turn this indicator into a "sacred cow?" We produce twice as much steel as the Americans. We produce more machine tools, more cement, more footwear. We have four times as many cows. What we need now is not just speedy growth. Only switching to an intensive economy will provide us with a growth rate in its pure form. What we are often getting at the moment is a hollow growth rate of the kind needed only by the people who do not want to lose their indicators and their bonuses.

The speaker noted that even the most perfect system of economic accountability [khozraschet] and self-financing can grind to a halt while finances in our country remain in the state in which they currently are. Money must become real money.

With reference to the Law on State Enterprise the speaker emphasized that, no matter how good this document is, it will not work unless the entire environment in which it is supposed to operate is changed. The question must be resolved comprehensively. In this respect it is a very good thing that a whole series of other decisions is being drafted simultaneously. However, we must make sure they do not contradict the law.

The speaker noted that a trend toward gigantism is evident in industry. However, excessively large enterprises are difficult to manage. In this respect it is not always expedient to enlarge the capacity of associations, but rather it is necessary to organize production sharing with small-scale enterprises. In the West scientific-technical progress is currently secured through small enterprises.

On ways to improve the management of the economy, G.A. Arbatov favored reducing the number of ministries and sharply reducing their functions. According to his view, it is also necessary to change the role of the Gosplan. We are reproducing ineffective proportions. The whole structure is highly subject to inertia. It is difficult to break away from this largely because of the stance of the central organs of management.

The speaker noted that competitiveness will play a more important role in the new conditions, and this will encourage enterprises to introduce innovations. Real, rapid economic progress cannot be achieved through pressure. It can, however, be achieved in conditions of healthy socialist competitiveness. It is necessary from the beginning to avoid a monopoly on the production of specific types of goods and instead provide several enterprises with the opportunity to test their strength, to decide on a competitive basis what goods are best.

Our sector, V.M. Lukyanenko, minister of chemical and petroleum machine building, noted, has been operating under the conditions of the experiment for 5 months. This is a short period, but we have already managed to clarify a number of matters. I will share some of my views with you. We began with large-scale training of middle management. We organized branch seminars and dispatched able specialists to them. They elaborated methodological instructions which have become a kind of manual for foremen, shop leaders, and enterprise directors.

Unfortunately not a single enterprise, with the exception of the Sumy science-and-production association, has proposed increasing the plan.

M.S. Gorbachev: Could it be that they simply lack confidence?

There were imbalances in our plan for rolled metal, V.M. Lukyanenko said. Some enterprises did not have enough rolled metal to ensure fulfillment of the plan. That is why no one volunteered to augment the plan.

Before switching to self-financing, it seemed to us that we had done everything, that we had prepared ourselves well. However, it emerged that we had not done everything. In February I visited Sverdlovsk Oblast. We have eight plants there. I talked to workers, foremen, shop leaders, and directors. Although I find it very unpleasant to admit this, I must say that one in two leaders had failed to assimilate the principles. That is to say he had read the material, but nothing had sunk in.

Under the new management conditions, the speaker continued, the number of enterprises built for state capital investments must be reduced to a minimum. We have to earn the funds ourselves. Our directors are no longer asking us to give them this, to supply them with that. The answer they get is always the same: Earn it. Naturally the leaders still come to us asking for advice of how to get out of certain situations. But they understand that we do not have the money to cover up their bad performance. So the mechanism is beginning to work. It will work even better. But it needs time.

M.S. Gorbachev: If you don't have the money, take out credit. That is also self-financing, only through credit, but the difference is that you have to repay the credit. The problem is that people in our country have gotten used to nonrepayable credit....

I would like to say something about the utilization of funds earned, continued V.M. Lukyanenko. The enterprise has earned some money for housing so it is a matter of organizing construction using the direct labor method. Here we encounter many difficulties, however. When you are building yourself, it is difficult to find the resources, especially ferroconcrete. There are acute shortages of equipment. It is important here not to undermine the enterprises' faith that they will be able to convert the money earned into goods. This question must be resolved.

Noting the restructuring was proceeding too slowly, V.P. Kabaidez, director general of the Ivanovo Machine Tool Production Association named for the 50th Anniversary of the USSR, emphasized that progress was hampered by the habit of doing only what has been ordered from above -- a habit which had grown up over many years. The main question now is how to encourage and develop initiative. It is necessary to change the style of work and the organization of production and management. I share the view of those who are saying there are too many ministries in the country. Just take a look -- one minister is responsible for machines for feed procurement, another for road-building machinery, and so forth. Or take production organization. In the FRG, for instance, out of 500 relatively small machine tool companies only two have their own foundries. In our country on the other hand, every enterprise has its own foundry, design shop, timber supply, machining shop, in short it has everything of its own.

It is necessary to enhance the role of science, of institutes and planning and design organizations, in the acceleration of scientific and technical progress. Somehow there is a very lenient attitude to these organizations in our country. Somehow no one wants to touch them out of fear of being branded a reactionary.

Recently an instrument-making plant was added to our association, V.P. Kabaidez continued. A very good new plant, but the director is complaining there are not enough production workers while, on the other hand, there are more than enough people doing unnecessary paper work; the offices are jam-packed with them. There is a formal reason for this: Any controller can come and stop production on the claim that the necessary papers are lacking.

Now about international associations. They are a good idea. However, there is a question which is hampering us and will hamper others who set up joint enterprises. This is the question of price fixing.

An additional point concerning economic accountability [khozraschet]. If you want to buy something from Renault, for instance, you cannot get designs or technology without paying. Yet 15 of the country's enterprises are using our designs, are producing goods on this basis. We get nothing for this. Plants of other ministries which are using our designs should pay our designers at least 5 percent. This too is an element of self-financing. A great deal of scientific work goes into software, and an especially high value should be set on this.

N.I. Travkin, chief of the Trust No 18 of the Moscow Oblast Main Construction Administration, said he agreed entirely with V.P. Kabaidez. A great impediment to restructuring is leaders' adherence to old forms of work and thinking. However there is also another force hampering restructuring from fully developing: certain workers' inertia. A parasitic mentality has developed. Even before they have contributed a kopek's worth of work, certain people believe the state owes them a great deal. The effects of this kind of mentality are manifesting. The result is that, if the state has difficulties, this is regarded as being due to some kind of problem somewhere in the Central Committee, the Politburo, or the government. It does not concern the grass roots. We want what is due to us.

Only now has a breakthrough come into sight. However, ideology alone is not enough to effect this breakthrough. This means that what is needed is some highly influential material factor. This factor is provided by the collective contract and the switch of all enterprises to complete economic accountability [khozraschet]. However, if we introduce both the collective contract and economic accountability [khozraschet] only locally or on the sector principle, it will not produce a full return. We must implement this system over the whole territory of, say, a rayon. Once all the enterprises in a rayon have introduced self-financing, the conditions at all enterprises will be identical.

I would like to say a few words about the democratization of production. The wave of democratization has reached the grassroots, but at the local level we leaders have yet to feel it deeply. Some believe it will not progress beyond words. No way. The ruling class is keenly aware of it. Leaders must take this into account.

In our trust there is no gross indicator in the plan, there is the commissioning of projects, profit, and the correlation between production and wage growth rates. Since last July, when we switched to the new indicators, there has not been a single month when we did not fulfill the economic accountability [khozraschetnyy] indicators. However, there was probably not a month either when I and the whole trust were not branded for failing to supply gross output figures.

M.S. Gorbachev: Does this mean accountability remains unchanged and the notion of who is to be given first place and who is not is based on the old criteria? You do not have to be an experienced economist to understand the aim of construction workers is commissioning. But the expenditure of resources is not an aim.

It is here, incidentally, N.I. Travkin continued, that the party organs' role in restructuring can be seen. I believe it is necessary to act as soon as a Central Committee and government resolution has appeared, not to wait for instructions. The financial inspector comes to see you: Why are you working that way? he asks. No such instruction has been issued yet... You have to invite this comrade to the raykom or the gorkom and explain to him: If you want to wait for instructions then wait, but meanwhile hand in your party card... Then there will be no great hiatus between a Central Committee decision and its implementation. If local party organs had been more active, restructuring today would be several stages further than it is.

A.N. Gerasimov, first secretary of Leningrad CPSU Gorkom, dedicated his speech to the place and role of party workers in the restructuring of the economic mechanism. He noted that in recent years Leningraders had accumulated some experience of increasing the efficiency of the national economic complex and that a cost-cutting mechanism is beginning to be developed.

However, a group of enterprises working in conditions of the economic experiment has made no clear distinction between quantitative and qualitative characteristics, and some indicators have even been negative. This results from the fact that practical actions at the local level were not backed up by the corresponding normatives and legal and judicial documents from the ministries and departments. Collectives are entering the new conditions of economic management not equally prepared either economically or socially. Small and medium enterprise are in a more difficult position still.

In these conditions it is necessary to ensure that the party organization, as the nucleus of every collective or sector, is at the necessary level today and is equal to the demands of restructuring.

Not all of the city's party organizations have been able to switch to political methods of leadership. After all, to ensure successful progress it is necessary to give priority to the restructuring of party work. But that is not easy. Individual pockets of experience in ideological and political work in the new conditions have still not merged into an integrated and comprehensive system of party support for economic restructuring. The speaker's view was that it is necessary to gather up the grains of those positive things done in the country and equip cadres with new forms and methods of work. The role of the party worker, the commissar of restructuring, is greater here than anywhere else.

M.S. Gorbachev: Do not forget political commissars have always worked in extreme conditions: in the civil war, in the Great Patriotic War. But we need commissars for restructuring in conditions of democracy or, rather, party leaders capable of direction work.

To promote the kind of people restructuring needs to party work, A.N. Gerasimov said in conclusion, it is necessary to have a cadre reserve and to develop openness in work with them.

Unfortunately, the sector still has many enterprises where the solution of the questions of restructuring is slack, S.V. Kolpakov, USSR minister of ferrous metallurgy, said. This applies in particular to plants in the Ukraine. Generally speaking there are a number of collectives which have much to do. Our workers are still sometimes weak on economic questions. We are all learning now. We hold seminars and business games and study all the time. The need now is to constantly study and learn.

There are still many enterprises where work is not stable. But the attitude is changing. Here is an example. There was a breakdown at an electric furnace at the Oskolskiy Electrometallurgical Combine and a lot of metal was wasted. But other furnaces stepped into the breach and the plan was fulfilled. Previously, if the average was achieved the bonus would be paid to all equally. It is different now. Those teams which worked properly received an increased bonus, those responsible for the breakdown were told: "Produce the steel and you will get the money." There was no comment.

But resolutions on sanctions conflict with our targets, the minister remarked. Each measure taken by itself seems correct, but when you look at them all together the picture is different: The enterprise has material incentive funds totaling R14 million as against fines totaling R40 million. Fines and punishment are necessary. But if a collective manages to recover its debt it must be given an opportunity to recoup what it has lost.

M.S. Gorbachev: But surely a collective's contract shortfall today affects the whole sequence

Going on to express his attitude to the draft Law on the State Enterprise, the minister noted that in addition to the good, modern enterprises, many sectors still have backward ones in need of modernization. There must be a review of fixed assets to remedy their position and put everyone on equal terms.

Speaking about the sector's specific conditions, where the prime cost of construction is extremely high, the speaker expressed the view that in the metallurgy industry it is expedient to finance approximately 60 percent of major projects centrally and about 30-40 percent by means of enterprises' own resources.

M.S. Gorbachev: But why must everything be centralized here? Why does the sector not want to accept major credit for this? Take it, and be quick about it.

All the measures now being taken, A.B. Chuplinskis, general director of the Lithuanian "Sigma" association, believes, should produce a result because the opportunity exists to give people incentives. The new procedure for labor remuneration envisages many measures. If they are implemented this will represent a great victory.

However, some people say: If I must restructure, give me more resources. Such an approach benefits no one, of course.

What do we still suffer from today? the speaker continued. It is necessary to categorically ban petty tutelage and the attempt by ministries to deal with minor operational questions themselves. This, of course, is far easier than resolving major tasks. Many ministry workers have found themselves a sinecure here. They invent indicators and thus preserve their positions. For example, a plant casts a spare part for its own internal use, it organizes pressure-die casting, it prepares nonferrous casting. Even so, the Gosplan plans the product mix for us. We have to account...

Concerning methods of accelerating technical progress, the speaker stressed that we now need the kind of output and new equipment which really does accelerate processes and improve product quality. It is necessary to catch up more quickly with the world standard in computer equipment. It is necessary to give incentives to all the collectives which produce output several times superior to today's output in terms of its qualitative indicators. That must also be encouraged.

G.V. Kolbin, first secretary of the Kazakh Communist Party Central Committee, noted that restructuring is being carried out in extreme conditions in Kazakhstan. It has taken considerable efforts to stabilize the situation after the negative phenomena of last December. At the same time, emphasis has been placed on enhancing the role of soviet leaders in the management of the economy at the territorial level.

We have made use of the right granted to us and created economic departments within soviet organs which have begun to manage economic development at the territorial level. To involve broad circles of people in restructuring we have set about resolving the most complex questions which have not been tackled for years. They are the housing problem, the improvement of the food supply, and the building of asphalted roads. We are trying out various ways to tackle the housing problem, including individual construction. For example, 650 individual homes are now being built in Ust-Kamenogorsk. The principle behind it is as follows -- take 0.06 hectares of orchard, build a house with all facilities in it, and we provide the corresponding bank or enterprise loan. Those who want to build are taken directly to the site. When they see this construction they see how well people are working there and they are inspired!

I should like to ask you once again, Mikhail Sergeyevich, to allow us to extend the principles which we are using in agricultural products (where you have a firm plan for supplying the all-union stocks and you keep the remainder) to construction materials, too. I am firmly convinced we will find the potential to overfulfil the plan and easily solve this situation.

M.S. Gorbachev: The question of housing construction has now been elevated to first place everywhere and is posed more keenly than the food problem and other questions.

The right to use above-plan agricultural produce to supply local needs, G.V. Kolbin continued, has played a major part in improving the food supply. Local leaders did not immediately understand how this right benefits them. But they are now using it quite well. However, there are also those people who consider it their duty to send the usual request to the center.

In a number of oblasts the increase in meat production since the beginning of the year has been 25 percent. Many people have been allowed to use above-plan meat. But in one oblast you find people's needs are satisfied while in others these questions remained unsolved.

M.S. Gorbachev: This is where restructuring is needed. But some think restructuring is basically a matter of big words. Specific work is needed: Housing, food -- take up those problems, solve them. But when a man in Chelyabinsk Oblast has to go to the Baltic to find nails, that isn't restructuring at all.

I.D. Nagayevskiy, general director of the Zhdanovtyazhmash Production Association, emphasized the great importance of fixing wholesale prices. However, the elaboration of these prices is a very complex process, involving the client and the supplier, the client's institution, the client-ministry, then the ministry of the supplier himself, and then the USSR State Committee for Prices.

This is the proposal: That the client and the supplier, working according to self-financing and full economic accountability [khozraschet], agree on a price and the USSR State Committee for Prices approves it. Then there will be no great waste of time or energy.

O.T. Bogomolov, director of the USSR Academy of Sciences Economics of the World Socialist System Institute, talked in his speech about the experience of restructuring in other socialist countries. This experience shows that the quickest and most direct effect for the people is gained by using economic methods of leadership, above all in agriculture, trade, the light and food industries, and housing construction. It is very indicative that in many countries economic reforms began with agriculture, albeit at different times, perhaps. That is what happened in Hungary, China, and Czechoslovakia.

Life has proven it is very important to free the agricultural producer from bureaucratic and administrative interference, which, unfortunately, is still very powerful in our country. Even after a resolution has been adopted there is still a tendency to distort it and to limit people's rights.

M.S. Gorbachev: Yes, V.P. Nikonov met with a group of representatives who attended the latest Kolkhoz Council and gave me the shorthand account, which I read. Even the best chairmen are reduced to complaining.

I believe, O.T. Bogomolov continued, it is nonetheless necessary to make fuller use of the principle of payment in kind in trade and public catering, where matters are, with the rare exception, bad for us. Here, as well, it is necessary to think in general terms about providing opportunities for initiative and for greater freedom of action.

In the restructuring of the economic mechanism, the speaker noted, there is one crucial question which I think we are avoiding somewhat coyly. This is the matter of the market under socialism, the regulated market of course. We talk about commodity-money relations and wholesale trade, but the word market is used mostly in a pejorative sense. The word marketeer is usually a term of abuse.

Generally speaking, according to Marx, when we speak of commodity production and commodity-money relationship it is understood that the prime cost of a commodity and the need for it are determined not by the Gosplan or some other organ but only by the ruble-votes cast by consumers. For example, why should the question of launching a new car model be decided "at the top"? The consumer himself ought to say what car he needs. But he is unable to do this under the conditions of the notorious shortages.

The speaker considered questions concerning direct ties between enterprises in socialist countries. The ruble, he emphasized, must be convertible for the purpose of their development.

We have already made practical use of the two-link system for the whole of last year, M.S. Shkabardnya, USSR minister of instrument making, automation equipment, and control systems said. I cannot say that we scaled any amazing heights, but much has been done. Enterprises were consolidated, associations were created, and we were given a certain freedom to do this.

We operated under self-financing for 5 months and realized that this system is very sensitive to all sorts of disruptions. We experienced, for example, an imbalance in material and technical supplies. This also happened, unfortunately, in other sectors. To generalize, one can draw the conclusion that in practical life the system of self-financing essentially clashed with the old shortcomings along key avenues and really brought them to light.

In our view, one of the law's provisions is poorly coordinated with the current regulations issued by directive organs. After all, not a single week has gone by without our ministry's receiving all sorts of instructions setting numerous targets. Yet, it is written in the Law on State Enterprise that the labor collective adopts its plan for the whole year.

M.S. Gorbachev: Instructions are issued and they set targets in excessive detail -- down to the last screw and rivet. All this must be done away with; there is much that has to be abandoned. If there is a problem, if there is a task -- then it is necessary to adopt a government or party resolution which must subsequently take the form of a state order [zakaz]. We all need restructuring.

It seems to me, M.S. Shkabardnya said, that some thought must be given again to the way state orders operate to make them more authoritative and ensure they are really backed by material supplies.

The minister discussed questions of the sector's mutual relations within the framework of the USSR Council of Ministers Bureau for Machine Building. There are, in his opinion, quite a few problems there.

Our collective has been working for 5 months on self-financing based on net output, P.V. Buderkin, general director of the "Omskshina" Production Association, said. Everyone -- from the worker up to the director -- has felt the advantages of the new method.

We give much attention to output quality. The tires made in Omsk today are among the best in the country. Many other enterprises make tires whose durability is considerably lower than that of the tires made in Omsk. Yet their prices are exactly the same. This is wrong. A good tire ought to sell at a good price.

M.S. Gorbachev: That is the meaning of competitiveness.

That is when we'll have interest, that is when we'll have competition, P.V. Buderkin continued. But it takes a good 6 months to fix the price for any product. Generally speaking, price determination our country is a whole problem in itself.

Improvement is also needed in the price system for machine building products, continued the director. Back in 1974 a production line for vulcanizing casings used to cost R620,000. Today that very same line costs R1.2 million.

Speaking about the procedure for sale of above-plan output, the speaker suggested that any such output be left at the disposal of enterprises. This, in his opinion, would produce a great gain. After all, in a vast country we cannot distribute everything down to pins and needles. Once delivery commitments are made, people can cope with the rest by themselves. But this is far from being the present situation. Let us assume a consumer has funds to buy 500,000 tires. He telephones me: "Let's change sizes. I don't need tires for 'Kamaz' trucks today, I need them for 'Ural.'" If I can do it, why not switch? Last year we switched 500-600 tires in this way. "Rezinonabsbyt" fined us. Why? For satisfying the consumer.

The speaker asked about the legal responsibility of the Ministry of Railways and the Ministry of Power and Electrification if an enterprise suffers damage through their fault. Responsibility must be one and the same.

G.Kh. Popov, head of a department at the Moscow State University, emphasized that a law's success is ultimately determined not by the accuracy of formulations but by the social forces it sets in motion.

I would like, he said, to discuss the problems of self-generated scientific and technical progress, in other words the technical progress which has to be achieved by enterprises using their own resources. The new mechanism lays down the creation of a production development fund to enable enterprises to introduce innovations using their own money and their own resources. There is, however, a lesson which must certainly be borne in mind: the lesson of 1965. The following situation developed at that time: The enterprises were given money, but were totally unable to use it because they could not buy equipment, machine tools, machinery, and so on anywhere.

Now, about the question of transferring to wholesale trade. That was also the subject of talk back in 1965. But what happened in practice? The mandatory products range grew, and grew, and grew, and by 1968 there was no other output apart from what fell within the mandatory products range.

What is my idea about the way out? At the next stage of our work we must think about one most important measure: introducing a volume limit on state orders; on the extent to which they can affect enterprises. It may be set at 50-60 percent, it may be set at two-thirds, but the enterprise must know that one-third will belong to it. That no one else can deal with it as they like.

Another question concerns the scope of the minister's work following the reform. I am absolutely convinced it must deal only with state orders, and if it gets involved in control figures once more the enterprise will again be saddled.

Provisions are now being made for interest coupled with bonus payments and the wages fund. This is a major advance compared with 1965, at which time we left the wages fund virtually untouched and tried to provide incentives through bonus and 13th salary payments.

Now we have gotten down to the basic wages fund. This is major progress. The draft law envisages two possible options: The first option involves the wages normative, the second option is based on the surplus principle of wages. In my view, this principle is profoundly progressive. Everything is clear-cut: I've paid him, him, and him, and the rest is my surplus. If I've managed to make certain improvements, the wages fund will increase; if performance has deteriorated, it will decrease.

At present we cannot switch to a system of considerably expanded market and wholesale trade. We can, however, create a certain sector of market and wholesale trade. This must be a market in which prices are freely determined.

In conclusion, I would also like to emphasize the idea that it is hardly expedient to pool all the energies of economists in one single sector. There must be several centers to obtain conclusions from the Academy of Sciences, the Academy of Social Sciences, the Academy of the National Economy, and the scientific and economic community, and compare their viewpoints.

A.A. Nesterov, general director of the "Kompleks" Science and Production Association, described the progress of restructuring at his enterprise. He noted that there still has been no fundamental change in attitudes toward work. The introduction of state acceptance proved that the quality of output produced depends primarily not on the way it is accepted but on the observance of technological discipline. Workers often violate it. To prevent this, we included the following paragraph in the collective contract: Workers are docked a certain amount of pay in respect of breaches of technological processes. The workers voted for this. They realize there is no other way.

M.S. Gorbachev: You are correct in doing this in the democratic fashion.

Let me speak about housing construction, continued A.A. Nesterov. The housing we build by the own-resources method in cities is contained in the plan and backed by resources. But the plan makes no provisions for the housing we build in rural areas to help our sponsored farms. What sort of economic accountability [khozaschet] is it if we are doing the building and the construction industry accounts on our behalf? It is credited with the volume of work, and we bear the net loss.

We have been working under the economic experiment conditions since 1984, S.I. Krupko, director of Voroshilovgrad's confectionery factory, said. The confectionery industry, he noted, is generally profitable and produces good returns, even though we have recently been restricted in terms of imported supplies. True enough, our enterprise does use good quality domestic raw materials.

The way to the further development of production lies through enhancing the independence of enterprises. Here is an example. The products we have started making from home-produced raw materials still have to travel a long road from inception to mass production: It takes 12-18 months.

We do have, of course, the problem of packaging and the external appearance of products. There are no automatic packaging machines. We are using our own resources to make manipulators. We would like more help from the ministry....

M.S. Gorbachev: It is possible to reach agreement with the designers, set up a targeted comprehensive group, conclude a contract.

Let us hope the new law will give us such an opportunity, S.I. Krupko continued, which will be useful both for the enterprise and for the economy.

L.I. Abalkin, corresponding member of the USSR Academy of Sciences and director of the USSR Academy of Sciences Economics Institute, devoted his speech to the problems of planning under conditions of economic accountability [khozraschet]. The state plan, he noted, is a system. It is the tasks being set to the national economy for a 5-year period, it is the most important proportion of accumulation and consumption which is not simply the sum total of these proportions in individual enterprises, ministries, and regions. It is a set proportion, just like many others.

The next task to emerge is how to adapt the plan's goals and demands to the enterprise for it to work in pursuit of these goals. This is half the battle in planning. The first part is the state plan approved by the Supreme Soviet. The second is the system of ensuring the backing for the state 5-year plan. I could ensure its backing by using the old methods, trying to cover each and every detail and adapt it for every single enterprise. I could also notify and spur on the enterprises to ensure they fight for this plan by means of economic methods, using prices, normatives, tariffs, taxes, payments, and state orders. This is the better part of planning.

The Gosplan plans the production and utilization of national income. National income provides resources for pay, social funds, capital investment, and so on. The enterprise must establish a wages fund per ruble of net output. If the collective earns nothing and fails to accumulate net output, the wages fund diminishes. This means the collective must reduce either its numerical strength or its average wage. Without making any allowances. This is one of the most fundamental questions of restructuring, and people must really believe that if our work is not good enough our wages will be cut. No one yet believes that his wages will be cut if his work is not good enough, that he will be paid no more than last year.

You can refrain from setting plan targets for the volume of output produced by enterprises. But they themselves will pursue this volume if there is a rigorous normative for forming the wages fund. But if volume planning is retained, all the expenditure-based methods of obtaining this volume are also retained.

I perceive state orders, L.I. Abalkin said, as a system for unconditional satisfaction of socially significant priority demands. There is also a need to define the rights of the Gosplan, ministries, and regions to place such orders. The work on state orders must be the most advantageous. Enterprises should fight for the right to obtain state orders because they entail, for example, smaller deductions from profits in respect of budget contributions. State orders could involve priority supplies of resources in short supply.

Summing up the results of the conference, M.S. Gorbachev said:

I think everything discussed here will be reflected in the Politburo report to the party Central Committee plenum. I would like to say this meeting is in a way a first test of the results from the work done by the party Central Committee Politburo and the government on the preparation of basic documents which will lay foundations for the shaping of a integrated machinery for the management of the country's economy.

On this point, I express not only my own opinion but also the opinion of all comrades from the leadership: We are gratified by the meeting. Primarily because we had an open [otkrytyy] and honest discussion, maybe somewhat polemical, and containing different approaches and different viewpoints in the evaluation of various questions. In the main, this discussion coincides with the way we are lining up [vystraivayem sebe] and shaping our idea of the future economic machinery and the future system for the management of the economy.

I think there has been a coincidence [of views] on the main point. There is a coincidence [of views] on fundamental aspects. Primarily in the view that we cannot advance without restructuring. Here is the question I brought to the forefront: How do the comrades perceive restructuring, how is it progressing, how do they assess its progress, and how can we ensure the country's socioeconomic acceleration through restructuring?

I think that, as a result of the exchange of opinions, we can draw the conclusion that restructuring is no longer just a theoretically and politically motivated answer to the challenge of the time, to whatever is pressing in our society. It is the only realistic alternative to the condition in which our society found itself, especially its socioeconomic sphere. I have heard no other suggestions from participants in the meeting -- everyone is in favor of restructuring. Huge collectives stand behind you, the leaders of major enterprises, and in this instance you are already expressing the working people's definite opinion. On the other hand, you are members of party, soviet, and other organs formed democratically and on the basis of well known principles. You also express to a certain extent the opinions and assessments of local party and public organizations. I do not think that only a personal viewpoint was expressed here. It was evidently a viewpoint expressing the mood, assessments, and approach which have taken shape throughout our society. This is very important for us.

Representatives of science are also present here. Behind them stands the broad public, which is pondering a very great deal just now, and is conducting discussions within the frameworks of conferences, meetings, and conversations, through the press, and simply in daily chats. I think that the comrades also brought here opinions reflecting to a certain extent the mood of our scientific public.

The conference is attended by sector leaders and leaders of economic departments. We also invited a group of party officials among whom, of course, we ourselves figure. This structure of the conference makes it possible to obtain a more considered view of restructuring. Everyone is in favor of restructuring -- both the grassroots and the other levels of the leadership of society's management. This is the first point.

Second, I see that everyone approached the questions under discussion with great responsibility. I want to make special mention of this.

Of course, we ought not to fall prey to any exaggerations. On the eve of the Central Committee plenum, we must have an accurate assessment of the state of affairs at the initial stage of restructuring. We all see that this process is progressing with difficulty, complexity, and contradictions, but it is progressing. What is needed are new fillips to ensure that this process is accelerated and gathers strength, and not just from the viewpoint of discussions, but primarily from the viewpoint of solving different questions in all areas of our society.

This is the first generalization which, I believe, is very important for us. No one casts doubts upon restructuring. On the contrary, everything said here constitutes an attempt to do something to increase the pace and dynamism of restructuring, to make it more fruitful so it can spread to all spheres and all strata of our society.

It was no accident that the second issue at the conference centered on your attitude toward the Law of State Enterprise. It seems to me that everything said here could be summed up as follows. It is impossible to expect we will produce the ideal Law on the State Enterprise in one attempt, with a single sweep, at a single sitting. This requires that we make it clear what we mean by an ideal law for today, and whether it will remain ideal tomorrow. I think we adopted a realistic approach and everyone said the law is a major gain at this stage in the restructuring of the management system. It is for the better that we actually started with the basic component. As we understood it, we must pass the law, start working according to its provisions, reveal its strong and weak aspects, and improve it if necessary. But even today it already offers a sound basis for launching work on the introduction of the new machinery for economic activity.

All the questions of a practical nature raised here deserve attention. But I will speak of this a little later. Basically, this is how I understand it: We will submit this law to the CPSU Central Committee plenum and to the USSR Supreme Soviet session.

The third question was as follows: How do you envisage the top echelons, the center for the management of our economy at the stage of radical reform?

The discussion which has taken place is, for us, important in terms of principle. How do the comrades perceive the center under the new conditions? The main demand is that its activity and everything that has to be decided in the center for the management of the economy should not run counter to the Law on State Enterprise.

This idea was present here and, incidentally, we in the Central Committee Politburo and the government have picked up this demand. Just now Nikolay Ivanovich Ryzhkov told me that every day he has to return a number of documents because they run counter to the draft Law on State Enterprise. I think this approach must be maintained to the end. After all, we already have documents that have been drawn up on the Gosplan, the banks, the Ministry of Finance, the Committee for Prices, the Committee for Labor, and other departments, a total of 12 documents.

So far we have not adopted these draft documents on the central organs for the management of the economy. Let the session open, there will be debates, and much will evidently be said. Let the session pass the law. Then we will be able to turn back to the draft documents once more and, on the basis of all this, complete the work on them and finalize them. One thing is clear, however, and that is that the Law on State Enterprise will not come into operation unless we solve the questions of the management of the economy from the center. We are on the right path in this respect: We are simultaneously reviewing and changing management not only at the level of the basic component but also at the level of the center. It must be said that we do not have views on the structure of republican and local organs. Much still remains to be clarified here, primarily regarding the balance between the center and local initiative.

It is fundamentally clear that, as a result of our economy's development, its level, its scale, and the changes in working people's professional and cultural standards, we are not at a new stage. Naturally, today it is possible to reveal more fully the existing potential. Better use must be made of everything that we accumulated during the preceding periods, initiative must be unfettered, greater scope must be given to economic independence. The center retains the main proportions, the main balances, defense questions, questions concerning the development of republics, and so on. Only on the basis of social ownership is it possible to create an opportunity to have such a center, capable of forecasting, estimating, setting goals, and achieving them. This is where our advantage lies.

The question is, how to combine centralism with initiative. Here we need the mechanism and the system of indicators. It is here that we are searching.

What do I want to say in sum? The transition to a new system of economic management and the solution of tasks concerning the fundamental restructuring of the management of the economy -- these are no simple problems. There will be stages in the transition to the new machinery of management, the new system for the management of the economy.

The first stage comprises the remaining 3 years of the 5-year plan. We want to bring the law into effect, beginning next year. I think this is correct. No matter how hard it may be, we must gather experience, we must learn.

It is necessary to start preparations for the 13th 5-Year Plan. I have already said that it is necessary to devote all energy right now to draw up the 5-year plan on the basis of new approaches, and also to switch to the new system of management in the next 5-year plan period. This means that the task of these 3 years is to prepare everything necessary for transition to an integral system for the management of the economy. Even after all this, when the 3 years have passed, when we will have worked everything out, and when 1991 dawns, we will still be learning. That will be yet another new stage. We will not try to forecast what it will be like or how long it will last, but it will be already a stage leading to the ultimate goals of radical reform, to new qualitative heights in the development of the economy and the social sphere. This will be serious and lengthy work.

It seems to me we still have many discussions and much work lying ahead of us. We must be concerned not only about their content but also about their form. It is necessary to respect one another. Now it is admitted even at state level that different countries can live in different ways. That is their own business, it is the sovereign right of peoples. If they are denied this, on what basis are international relations to be built? People who are perturbed about the fate of socialism, the fate of our people, and the country's prosperity have diverse experience and diverse viewpoints. This means we must ensure an atmosphere making it possible to take all viewpoints into consideration.

This does not mean responsibility should be absent during discussions. No. We all must be very responsible. This can be ensured only through proper behavior at discussions, through respect for one another. There may even be confusions. I think they also ought to be discussed. But what we need are discussions and speeches imbued with concern about socialism, about the people, about our society's health, and they must be encouraged and supported.

We must rebuff those who want to offer us antisocialist alternatives. After all, the people are not suggesting that we change the system, we all are committed to revealing the potential of socialism. This is why we need everything that enriches and strengthens socialism. Any discussions pursuing this goal ought to be welcomed.

I would like to thank you for attending this meeting, for your contribution to it, and for supporting the efforts by the party Central Committee in advancing the radical reform of the economy. This is the strategic avenue of our work on restructuring.

I wish you success.

GORBACHEV, OTHERS ATTEND ARCHITECTS' CONGRESS

LD160628 Moscow TASS International Service in Russian 0615 GMT 16 Jun 87

[Text] Moscow, 16 Jun (TASS) — The Eighth USSR Architects' Congress opened today in the Kremlin. The delegates will discuss the results of their creative work over the past period and map out ways for the future. New rules are to be adopted for the USSR Union of Architects, and new leading bodies are to be elected for the creative union.

Mikhail Gorbachev and other Soviet leaders are taking part in the work of the congress.

FLOODING CAUSES CASUALTIES, DAMAGE IN GEORGIA

LD151900 Moscow Domestic Service in Russian 1800 GMT 15 Jun 87

[Text] The Kura, breaking its banks, has flooded the streets of the central farmstead of (Aktaglinskiy) vegetable sovkhov in Gardabani Rayon, Georgia. An earth dyke had been prepared in good time against floods but it did not withstand the tempestuous flow of water. People had to be quickly evacuated from their flooded homes. A few days ago (Lipskoye) reservoir in Tetri-Tskaro Rayon was indicated on the map. Now it has ceased to exist. (Aslanka) brook which flows into the reservoir had built up so much water on its route that the overflow structures were inadequate to hold it. The dam could not withstand it and the whole enormous mass of water swept onto the farm estates. Warned of the possible breaking of the dam, local animal farmers managed to lead their sovkhov herds to safety and prevent their animals from being killed.

In (Bombraulskiy), the Rioni River expanded its usual channel by nearly half a kilometer, instantaneously swallowing up flourishing vineyards and gardens. The rapid flows of water rushed against fortifications composed of concrete blocks weighing many tons, knocking them over and bursting onto the territory of the asphalt and concrete factory commissioned last year. All the buildings were destroyed.

Sections of the road leading from Oni settlement to the mountain resort of Utsera have been completely swept away. Because of this, the start of the vacation season had to be postponed.

As a result of the flooding, considerable damage has been done to the republic's agriculture. Roads, bridges, and homes have been destroyed. There are human casualties. The fight against the elements continues.

'SHARP' DEBATE AT SUMY MEETING; SILAYEV SPEAKS

PM121409 Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 7 Jun 87 p 2

[TASS report: "First Results of Self-Financing"]

[Text] Sumy — An all-union conference that ended in Sumy 6 June summed up the results of the work of enterprises under the jurisdiction of three union ministries — the Ministry of Chemical and Petroleum Machine Building, the Ministry of the Automotive Industry, and the Ministry of Instrument Making, Automation Equipment, and Control Systems — under the conditions of complete economic accountability, and discussed progress in preparing to switch associations and enterprises under the jurisdiction of other machine-building complex ministries to the new economic management conditions.

There was an undoubtedly useful and at times sharp discussion of fundamental questions on whose resolution success in switching the foundation of the country's industry — its machine-building complex — to the new progressive economic management conditions depends. Difficulties hindering the resolution of the task were revealed. But at the same time specific ways of overcoming obstacles were mapped out. Good examples have become the basis of collective experience of preparing for large-scale work, I.S. Silayev, deputy chairman of the USSR Council of Ministers and chairman of the USSR Council of Ministers Machine Building Bureau, stressed in summing up the results of the conference. We must embark forthwith on utilizing the potential at labor collectives' disposal, espouse economic management methods more resolutely, and strive for high end results on that basis.

SHALE MINERS PROTEST MINISTRY'S DECLINING ORDERS

PM101557 Moscow PRAVDA in Russian 4 Jun 87 Second Edition p 1

[Estonslanets Association miners' open letter to N.V. Lemayev, USSR minister of the petroleum refining and petrochemical industry, under the rubric "From the Mailbag": "Firestone Where Is Thy Flame?"]

[Text] Estonslanets Association miners have actively joined in the socialist competition in honor of the 70th anniversary of Great October. Teams at pits and open-cut mines are prepared to adopt even higher pledges. However, we are being "held back" by the consumers, that is, the USSR Ministry of the Petroleum Refining and Petrochemical Industry shale-processing enterprises.

The association team leaders' council has instructed us to turn to you, Nikolay Vasilevich, with an open letter through PRAVDA. The problem is that a confusion which we fail to understand has arisen in the planning of shale deliveries to enterprises of the Ministry of the Petroleum Refining and Petrochemical Industry. During the 11th 5-Year Plan the plans for the delivery of shale were revised downward every single year.

And the practice of ministry enterprises' refusing to accept ordered stocks goes on even now. In June 1985, you, Nikolay Vasilevich, as deputy minister signed an order for shale deliveries during the 12th 5-Year Plan. However, by 1986 shale-processing enterprises were refusing to accept 628,000 tonnes of shale.

The main consumer — the V.I. Lenin Slantsekhim Association — took delivery of 20 percent less shale than ordered in 1986, and when drafting the contract for 1987 the association cut the order by 14 percent. [paragraph continues]

Over the past 10 years the association has reduced shale processing by almost 50 percent.

Furthermore, as a result of an accident, the Slantsy shale-processing plant has refused to accept 758,000 tonnes of shale this year. Thus miners at our association will have to reduce deliveries of industrial (coarse) shale by 1,155,000 tonnes against the plan. And that means that it will be necessary to reduce shale extraction by 13 percent this year.

Your deputy V.Ye. Popov has informed us in a letter that the requirement for shale in the subsequent years of the 5-year plan is to be reduced by 600,000 tonnes annually. However, the association, pits, and open-cut mines have already received their plans for extraction, labor productivity, cost price, profit, and other indicators, and the norms have been set for the formation of economic incentive funds.

The practice of amending delivery plans, which has become a "tradition," is preventing us from working smoothly and with confidence and is depriving us of prospects.

Our economic indicators have also deteriorated considerably. Because of reduced shale deliveries to your ministry's enterprises our association has failed to obtain more than R6 million of profit over the past 6 years. Over these years, the material incentive fund has decreased by more than R400,000 and the fund for sociocultural measures and housing construction by R150,000. The miners badly need this money. We badly need housing, kindergartens, and other social and consumer service facilities.

Recently, when we were discussing the draft law on the state enterprise (association), we asked ourselves: Who is responsible for this kind of planning? Why is it the supply enterprises which are suffering the losses?

We are addressing this letter to you, Nikolay Vasilevich, in the hope that you will adopt specific measures and establish order in this matter.

We are also hoping that the USSR Gosplan (Comrade A.M. Lalayants) will do its bit and finally resolve the question of balancing the shale extraction and consumption plans.

Signed: T. Pupkevich, excavator team leader at the Narvskiy open-cut mine; Hero of Socialist Labor V. Iv nov, drifter team leader at the Akhtme pit; and Hero of Socialist Labor A. Pertel, fitter-electrician. Estonian SSR.

ECONOMIST INTERVIEWED ON PRICES, INFLATION

LD132240 Moscow Domestic Service in Russian 1440 GMT 13 Jun 87

[Text] KOMMUNIST has published a survey of scholars' views on problems of economic theory and the practice of restructuring. Journalist Boris Simonov met one of the contributors to the continuing debate (Anatoliy Nikolayevich Komin), doctor of economic science, in the State Committee on Prices.

[Begin recording] [Simonov] (Anatoliy Nikolayevich), there used to be a very oversimplified view of the relationship between finances and prices — that these two disciplines existed independently.

[(Komin)] Finances and prices form a single interrelated nexus -- moreover, a central one -- in commodity-money relations, which focuses all the results of economic development -- the results of production, the volume of production in the national income, its primary distribution and its redistribution. The failing in our economic system consisted in the fact that everything was exceptionally centralized. Financial resources were not being earned, but elicited from the state budget -- and that's our problem. All our economic managers have learned to extract financial and material resources rather than earn them, and one could say that the budget was up against the entire economic mechanism. Everyone sent in requests and the budget had to satisfy them all to some extent. The link was even lost between the capabilities of the state's financial resources and the demands made by our economic managers on these resources.

[Simonov] But, (Anatoliy Nikolayevich), this is only one step away from inflation, which we are usually shy of mentioning?

[(Komin)] Correct. This led to the development of inflationary phenomena, and these were not spoken about. On the contrary, it was even considered that inflation was a phenomenon which could not occur in our country. But that's wrong. Inflation, as a phenomenon of commodity-money relations, is characteristic of any economic organism where there is money in circulation, especially paper money. This inflation took the form of price rises -- both wholesale and retail prices, above all on non-food goods -- as well as price increases through the introduction of new models. Everyone knows about this and there's no hiding from it.

[Simonov] (Anatoliy Nikolayevich), the appearance of shortages of certain goods is probably also a kind of sign of trouble in the economy.

[(Komin)] The existence of shortages has turned into a great problem; it is hampering our processes of distribution by labor and gives rise to such phenomena as speculation and nonlabor income -- phenomena which we cannot tolerate. An economy is healthy when it does not suffer from shortages. For that reason we have to create conditions in which money does not lie around too long in circulation, and in which it is no longer as easy to obtain as at present, and in which commodity and material assets and goods are fully marketed, given the appropriate resources on the part of enterprises and the population.

[Simonov] (Anatoliy Nikolayevich), as far as I understand it, one can create conditions in which money will be hard to obtain, but nonetheless people are going to earn it and goods will have to be produced to meet this demand. Yet the shortages remain. What has to be done here? Apart from making money difficult to obtain the market has to be supplied with goods on a permanent basis -- goods which would lie on the shelves awaiting the customers.

[(Komin)] This is the principal task at the moment. Naturally, people might say that it could be easily solved by raising prices, but that is not true: Price rises are no way out of the situation.

[Simonov] One cannot go on for ever. If you remember, prices were raised on motor vehicles, carpets, precious metals and crystal -- and now we see that crystal and carpets are just not selling.

[(Komin)] The latest price rises on those goods were beyond reasonable limits. The problem has to be solved, of course, by increasing consumer goods output.

[Simonov] Yes. (Anatoliy Nikolayevich), what are the main problems which need to be solved in the near future to somehow redress the situation?

[(Komin)] We have to make sure in the near future that the demand for consumer goods is fully satisfied. That's our first task, and, naturally, it's a very tough one to achieve. Tough in the sense that it will require more vigorous and robust work from everyone. In general, both quality and quantity will require from us more intensive work -- that will be the most important source. And then of course there is production retooling, but that doesn't come free either. It will also cost us considerable effort.

[Simonov] Effort and money, of course, but will it take a long time?

[(Komin)] That's a very tough question, but I think that we need a minimum of 5 years to put the economy in order, to remove the obstructions, and not only remove them but cover a considerable part of the distance to be gone in solving the tasks of the technical reequipping of our economy by increasing production, above all by using our own products. [end recording]

ECONOMICS INSTITUTE DIRECTOR ABALKIN INTERVIEWED

LD122259 Moscow Domestic Service in Russian 1800 GMT 12 Jun 87

[Interview granted by Leonid Ivanovich Abalkin, director of the Institute of Economics, corresponding member of the USSR Academy of Sciences, "a participant" in the 8-9 June conference held in the CPSU Central Committee on restructuring management of the economy, to correspondent Vladimir Nazarov; date and place not specified]

[Text] [Nazarov] Leonid Ivanovich, what do you consider to be the chief shortcoming of our economic mechanism today?

[Abalkin] The economic mechanism which exists today is oriented mainly toward the extensive growth of the economy, toward a purely quantitative growth in the volumes of production; and secondly, there is the predominance of administrative methods of management in the present mechanism. These appear in everything; in planning, and in prices, in the organization of financial autonomy, and in salaries. But what we need today is a mechanism built primarily upon economic methods.

[Nazarov] Leonid Ivanovich, were all those taking part in the CPSU Central Committee conference unanimous in their evaluation of the proposed changes in the economic mechanism?

[Abalkin] In the fundamental issues, there was complete unanimity; but differing opinions are being put forward in regard to details; diverse answers are being sought. I consider this, however, to be a sign of a healthy state of society, of creativity. Those taking part in the conference were unanimous on the main aspect: On the fact that we must now overcome bureaucratism and transfer from administrative methods to economic ones, and develop total financial autonomy. The old, established mechanism did little to promote development or initiative and socialist enterprise [sotsialisticheskaya predpriimchivost]. That's a good word -- socialist enterprise is perhaps what we need most of all. As for the question of conditions for this, well, with us it often happens that we seize on some problem or other -- for instance, financial autonomy, an important problem, undoubtedly one of the fundamental bases of the new mechanism. [paragraph continues]

But from the point of science, completeness is very important indeed. The methods of planning must be changed, too; substantial corrections must be made to the system of price fixing; the system of resources distribution must be rebuilt in a new way, and it is necessary to transfer to wholesale trade in the means of production; wages must be more closely linked with the results of labor. Only such a package of measures, mutually complementary, coordinated and integrated measures can secure both a real acceleration of the economy and also provide scope for this spirit of enterprise.

[Nazarov] One last question, Leonid Ivanovich: We very often say that an enterprise takes on the obligation to overfulfill the plan, an enterprise adopts a counterplan. But ours is a planned economy.

[Abalkin] I understand your question. There is a lot of discussion about this. The counterplan is a stage which our system of management has passed through and gone beyond. The concept of above-plan production is quite different in the new mechanism: The enterprise itself draws up and ratifies the plan, it receives a state order for major output. Everything about the state order is planned output, which the enterprise is free to dispose of, establish direct links and sell through trade fairs and through the trading system. In my view, the concept of a counterplan is a category of yesterday's economic mechanism.

BRIEFS

ECONOMIC SURVEY RESULTS — An economic survey circulated in Moscow says all Soviet industries, except the machine-building, achieved May's targets in terms of production growth. On the whole, the growth of industrial output was higher by 3.5 percent than in May of last year. The fuel and energy complex, which is the basis of the Soviet economy, was developing particularly rapidly. But in machine-building, the survey points out, the situation changed for the better rather slowly. [Text] [Moscow World Service in English 1500 GMT 13 Jun 87 LD]

SOCIAL EXPENDITURE STATISTICS — In the past 5 months the Soviet Government has spent R 23 billion on social insurance, says the Moscow-based Central Trade Union Council. This surpasses the annual defense allocation. The funds for retirement pensions considerably increased. Women in the Soviet Union can retire at the age of 55, and men at 60. [Text] [Moscow World Service in English 2100 GMT 13 Jun 87 LD]

MEDIA REVIEW OF AGRICULTURAL DEVELOPMENTS

30 May Report

LD310022 [Editorial Report] The following is a compilation of reports on agricultural developments in the USSR carried by Moscow Domestic Service in Russian, unless otherwise indicated, on 30 May. GMT times of broadcasts are given in parentheses at the end of each item.

Harvesting of winter barley began on many of the Karshi Steppe's farms in Uzbekistan today. The barley will be followed by corn grown for silage.

Grain sowing is coming to an end in the Mari non-Chernozem zone.

Filling the second stage of the Nizhne-Alaarchinskoye Reservoir in the Chuyskaya Valley, Kirgizia, has begun. This year it will permit irrigation of more than 17,000 hectares of fertile land.

The mechanizers of Kranskoyarsk Kray have completed the sowing of wheat from over a million hectares. (1100)

31 May-1 June Report

LD030011 [Editorial Report] The following is a compilation of reports on agricultural developments in the USSR carried by Moscow Domestic Service in Russian, unless otherwise indicated, on 31 May-1 June. GMT times of broadcasts are given in parentheses at the end of each item.

31 May

The sowing of wheat has come to an end in Krasnoyarsk Kray; the crop covers more than 1 million hectares. (0100)

Sowing of spring wheat is coming to an end in Kazakhstan. It has been sown on an area exceeding 20 million hectares, over 15 million hectares are taken up with flint wheat and other strong varieties. (1100)

The major bread grain supplier in eastern part of the country, Kazakhstan, has completed the sowing of cereals. It took the farmers just a week to sow wheat crops on an area as large as a European state. Powerful machinery has helped to complete the sowing quickly in the southern areas where the spring came a month later than usual. Last year this country produced more than 210 million tonnes of bread grain, a record output since the beginning of the 1980's. (2100)

Cereal sowing on 4 million hectares in the Altay is nearly over. All that remains to be done is the sowing of groat crops. (1100)

The widespread gathering of fodder has started in Krasnodar Kray. (1100)

There has been a big snowfall, equal to the monthly norm, in the region of the Okhotsk coastline and the central regions of Magadan Oblast. This has caused agricultural work to lag behind. (1700)

Farmers in Stavropol Kray are cleaning up after the recent hurricane and hailstorms. Around 162,000 hectares in 6 rayons in the kray have been affected, and many cattle have also suffered. Resowing is now under way. (Moscow television 2006)

1 June

The main news in the agro-industrial complex today is the completion of cereal crop sowing and spring wheat in many eastern areas of the country. Here, the sowing season is coming to an end. The late spring has noticeably held up the start of work in a number of rayons, and on more than one occasion work has been interrupted because of heavy rain. However, in the 2d half of May the rates of the work throughout the country as a whole were exceptionally high. (0400)

In the republics of Central Asia, the Trans-Caucasus, in the south of the Ukraine and the northern Caucasus, fodder preparation is getting under way. The first cut of alfalfa is being harvested here, rape has ripened for green fodder as have other high protein crops. However, many farms were not ready to begin this work quickly, as feed harvesting equipment has not been fully renovated. (0400)

In the very south of our Central Asian republics, the harvesting of grain crops is proceeding today; winter barley has also ripened. (0400)

The production of feed in the farms of the Ukraine is causing concern; it is not ensuring stability for animal breeders. Milk yields have significantly fallen compared with last year; the additional weight of livestock being fattened up has decreased. (0600)

The last of Uzbekistan's rice fields have been sown. This season 143,000 hectares in Uzbekistan are sown to rice, which should yield more than half a million tonnes. (1300)

Tuva: The feed harvesters are getting ready to begin mowing, which is earlier than usual. (1300)

Corn sowing is over in the Ukraine. A Ukraine state agro-industrial committee official notes that at present corn occupies about 6.5 million hectares in the Republic, including 2.8 million hectares of corn for grain crops. (1800)

2-3 June Report

LD040425 [Editorial report] The following is a compilation of reports on agricultural developments in the USSR carried by Moscow Domestic Service in Russian, unless otherwise indicated, on 2-3 June. GMT times of broadcasts are given in parentheses at the end of each item.

2 June

The sowing of spring wheat has been completed in the Altay. Work proceeded with difficulty because of the delayed spring and frequent rains. More than 1,500 seed drill complexes were used which sowed up to 400,000 hectares every day. (1300)

Today the sovkhozes and kolkhozes of the republic completed the sowing of spring crops on 26 million hectares. Over the last week, making full use of the favorable weather, machine operators have substantially reduced the lag caused by the cold and protracted spring. Spring crop sowing has already been completed in east Kazakhstan, Alma-ata, Semipalatinsk, Chimkent, and Ural Oblasts.

Zauralye's crop farmers have made up for the arrears they have run up; wheat has been sown within the deadline. The machine operators have also coped in good time with corn sowing; this year 50,000 hectares have been set aside for this, which is much more than last year. (2204)

3 June

Alfalfa occupies 400,000 hectares in Uzbekistan. The first cutting has already taken place over "a considerable part" of that area. In the south of the republic, where the weather is better, the second cutting is in progress. (0000)

Bread grain from the new harvest is starting to arrive at state reception centers in the south of Uzbekistan. As soon as the harvest is in, the land is to be resown, this time with corn for silage. (0204)

In the country's sovkhozes and kolkhozes the sowing of spring crops is drawing to a close. This most important work has been conducted in an unprecedentedly short time. Agricultural machine operators were able to take advantage of the favorable weather that came after the delayed, cold spring. As a whole, over 132 million hectares have been sown to spring crops. This is a little less than it was a year ago; almost 79 million hectares have been sown to bread grain crops. More corn for grain has been sown than ever before. Beet and cotton growers have coped with the unprecedentedly difficult spring sowing successfully. Work on sunflower, flax, and potato plantations is drawing to a close and the sowing of groat crops is going on. The time has come for mass work to tend the sown areas. Weeds, diseases and pests are being combated. Meanwhile, harvesting machines have been brought to the fields in the country's most southern regions. The hay mow is under way in 12 union republics. There has been a rich grass harvest. Fodder procurement is progressing at varying rates depending on the specific conditions, but the task is to obtain the highest quality hay, haylage, and silage. Depositories are being prepared to preserve their nourishment properties reliably. (1100)

Altay Kray -- water sprinkler systems are working at full capacity. Summer watering of perennial grasses and early vegetable crops has begun; 130,000 hectares of irrigated land have to be given water three times this season.

Haymaking has begun in the republic's southern rayons. This year it is planned to harvest 176,000 hectares of perennial grasses, of which more than 55,000 hectares is for hay, and 120,000 hectares for haylage and green fodder. (1330)

4-10 June Report

LD102348 [Editorial Report] The following is a compilation of reports on agricultural developments in the USSR carried by Moscow Domestic Service in Russian, unless otherwise indicated, on 4-10 June. GMT times of broadcasts are given in parentheses at the end of each item.

4 June

Frequent rain is delaying work on the hayfields in Kuban: around 10,000 tonnes of hay have been laid in to date, approximately 15 times less than by the same date last year. Inadequate use of auxiliary technology accounts to a considerable extent for the delays. This year the Kuban's fodder producers are to lay in more than 800,000 tonnes of hay. (1300)

5 June

In Vologda Oblast the harvesting of feed crops has begun. Good feed is very important for the production of milk. So, in Vologda they have developed a milk production program for the next 5-year plan period with feed production as its basis. (1500)

6 June

Harvesting of winter cereals is taking place today in eight oblasts of Uzbekistan. (0400)

Potato-planting is coming to an end in Ryazan Oblast. (0400)

The field workers of Kirghizia are intending to complete the harvesting of cereals from almost 500,000 hectares in 15 working days and to harvest on average three to five quintals more than last year. (1100)

7 June

Grain producers in southern Tajikistan have begun to harvest the winter crops. On average, 30-40 quintals of grain are being threshed from every irrigated hectare. (0204)

Silage and grain corn is being cultivated on the area of almost 2.5 million hectares in Kazakhstan. Now the sowing of this crop is by and large being completed. Last year the corn growers of Kazakhstan sold 66,000 tonnes of corn to the state and have earned nearly 410 million in net profit. (1100)

The machine operators of Crimea have started the sowing of feed crops. They are working in the fields where winter rye and other crops have been harvested. They are mainly sowing the mixture from corn, sunflower, and sorghum. (1100)

8 June

The Soviet Union's southernmost republic of Turkmeniya is the first to start taking in the grain crop. The farmers expect to have a good harvest. While harvesting has begun in Soviet central Asia, in Siberia spring sowing has just been completed. This year the spring crop has been sown to an area of some 140 million hectares. The biggest area is under wheat. (0700)

Barley harvesting has begun in southern Uzbekistan and Tajikistan. (1100)

9 June

Kazakhstan's farmers have finished sowing spring crops, over an area of almost 28 million hectares; about 22 million hectares of this area is given over to grain crops; 10,000 hectares has been sown above plan to buckwheat. (1100)

Sowing of spring crops has been completed in Kazakhstan; almost 28 million hectares has been sown. The first shoots have appeared. (2230)

10 June

The sowing of spring crops has been practically completed in collective and state farms of the country. They occupy 141.5 million hectares, including almost 83 million hectares which are under grain crops. The target for sowing corn for grain has been overstripped: it was sown to almost 500,000 hectares more than last year. Thanks to that, the farmers hope to make up for the shortage of winter grain crops. As you know, comrades, owing to unfavorable weather conditions, the plan for sowing winter crops was not fulfilled in the autumn. Apart from that, a part of crops has perished. But those that survived were top-dressed in time and at the moment are in good or satisfactory condition. (1100)

The plan for sowing sunflower has been overfulfilled: it was sown to 72,000 hectares more than last year. Out of oil-bearing plants, the sowing target has not been reached only for flax. The acreage under fodder crops is approximately the same as last year. (1100)

Harvesting of winter wheat and barley began on the fields of Azerbaijan today. Selective harvesting on steppe farms yielded 40 quintals per hectare of grain and more on average. The grain farmers of the republic are to reap winter wheat and barley from an area of nearly 500,000 hectares. Rural workers intend to sell to the state 320,000 tonnes of grain. (1200)

SELSKAYA ZHIZN REVIEWS AGRICULTURAL SITUATION

PM091735 Moscow SELSKAYA ZHIZN in Russian 5 Jun 87 p 1

[Unattributed report under the rubric "In The Country's Fields": "Tending the Crops Is the Task of the Day!"]

[Text] The country's farms are completing the sowing of spring crops. The past week has seen some highly productive work by machine operators in the virgin land oblasts of Kazakhstan, West Siberia, and the Altay. They have finished sowing wheat. In the country as a whole, according to USSR Central Statistical Administration data for 1 June, 132.3 million hectares of spring crops have been sown. This is 93 percent of the plan. Some 94 percent of the allotted area has been sown with grain and pulse crops.

The sowing of corn continues. More than 18 million hectares have been sown, including 4.6 million hectares for grain. Sowing of industrial crops has been completed. Because of frequent rain farms have been late planting potatoes and sowing vegetables. So far 2.5 and 1.2 million hectares respectively have been sown. We have now reached a very important stage in the struggle for the harvest -- tending the crops and protecting them against weeds, pests, and diseases. A specialist from the USSR Hydrometeorological Center talks of the situation in the fields and the urgent measures that must now be taken.

The cool, rainy weather that occurred during most of the 10-day period in the European territory of the USSR favored the growth of winter grain crops, the emergence of shoots, and the formation of side shoots and ears in early spring grain crops. Stem growth continues in most areas in the case of winter wheat. In extreme southern parts of Moldavia and the Ukraine and in the North Caucasus winter wheat has eared. [paragraph continues]

Spring grain crops continued to bush out in the Northwest region, the Baltic area, and Belorussia; they were between the sprouting and third-leaf phases in northern part of the Volga region and in the Ural region, and stem growth was continuing in the Ukraine, Moldavia, the Central Chernozem region, the southern half of the Volga region, and in the North Caucasus.

Flax had sprouted in the flax-sowing oblasts of the RSFSR. Stem growth had started in the Baltic area and Belorussia.

Corn continues to form leaves in Moldavia, in western and central oblasts of the Ukraine, in the North Caucasus, and in western Belorussia.

The apple orchard flowering limit moved up to a line joining Tallinn, Novgorod, Yaroslavl, Gorkiy, and Ufa. The blossom has gone from cherry orchards. The cool, rainy weather was unfavorable as far as flowering is concerned. Fruit ovaries are developing in southern parts of the Ukraine, in Moldavia, the North Caucasus, and the Volga area. Sweet cherries and strawberries are ripe in southern parts of Krasnodar Kray. Flower clusters continue to form in vineyards in the southern Ukraine and North Caucasus. It was warm in the first half of the 10-day period in the Transcaucasian republics. The grain continued to swell in winter grain crops, corn and cotton were forming leaves, and vines were flowering. Sweet cherries and strawberries were ripe in those parts and cabbage has attained industrial ripeness in a number of areas. Harvesting is under way.

It was cool at the start of the period in farming areas of West Siberia and in northern oblasts of Kazakhstan. There was frost nearly everywhere (down to minus 7 degrees in places). It became warmer in the second half of the period. The temperature rose to 28-30 degrees by day. There was rain in most parts. Conditions were favorable for completing the sowing of spring grain crops and for their growth and development.

It was hot and dry in the Central Asian republics and southern oblasts of Kazakhstan. The maximum temperature was 30-40 degrees, in Turkmenia as much as 43 degrees. In most parts cotton continued to form leaves and the first bolls had appeared in southern parts. All farmers' efforts must be geared to tending the crops.

CSA DATA ON FEED CROP PROCUREMENT

LD102237 Moscow Television Service in Russian 1700 GMT 10 Jun 87

[From the "Vremya" newscast; announcer-read report]

[Text] The first report by the USSR Central Statistical Administration on the procurement of feed crops has been received today. Here are the data for 8 June. Grasses in meadows and feed crop fields have been mown in the first cut on almost 4.5 million hectares. Kolkhozes and sovkhozes have procured more than 2 million tonnes of hay; 4.6 million tonnes of haylage and 185,000 tonnes of vitaminized grass meal.

COSMONAUTS' WORK ON POWER INSTALLATION DESCRIBED

LD122110 [Editorial Report] Moscow Domestic Service in Russian at 1930 GMT on 12 June broadcasts at the end of a bulletin of cultural news and weather reports from around the world a report by Correspondent Pelekhov from the Flight Control Center about the cosmonauts' extravehicular activity [EVA]

First the cosmonauts are heard discussing adjustments to the spacesuits. Then Pelekhov says: "The EVA has just been completed, or rather, work in open space has been completed by cosmonauts Yuriy Romanenko and Aleksandr Laveykin. All operations on the power installations planned for the space repairmen today have been carried out in open space."

Pelekhov describes the cosmonauts' exit through the hatch with "two fairly bulky containers, one containing the solar battery panel and the other a unique device; with relatively little effort it turns into a fairly long lattice mast that pulls out the solar battery panel like a concertina."

Pelekhov goes on to note that "they have only been installed today; they are not deployed because a second tier is yet to be set up. A second EVA still is to come; then they will be deployed."

According to Pelekhov, the work to come is similar to that performed today. "If we are to judge by events in space, then we will recall that additional solar panels have been installed in space before, but they were installed close to the structure of the fixed — as they call them — solar batteries, which served as supports." He notes that this time, however, both the batteries and their supports were installed. "The station has two batteries, but now a third is going up." "The cosmonauts now have entered the station."

Pelekhov explains that ground-to-station communications now are checking on how the cosmonauts feel. "They have been in space for a little less than 2 hours, yet it is work for the strong." He goes on to discuss the expenditure of emotional and physical strength during any EVA. "Today everything went smoothly, precisely, according to schedule, and even a little bit ahead of schedule."

Pelekhov concludes by saying EVA's cannot be considered everyday work as yet.

To Make Another Space Walk

LD160815 Moscow World Service in English 0700 GMT 16 Jun 87

[Text] The Soviet cosmonauts, Yuriy Romanenko and Aleksandr Laveykin, are about to make another space walk. Tonight they will conclude the fixing of a third solar battery on the outer wall of the orbital station Mir. The battery comprises two sections of panels with photoelements.

During their previous space walk on Friday, Romanenko and Laveykin assembled the first section. Now they are to fix another section of the construction, unfold the battery's wings to enable them to absorb solar energy which will be transformed into electricity to be used in conducting research on board the astrophysical module Kvant, docked to the station Mir.

ICEBREAKER 'SIBIR' CONTINUES RESEARCH, LEAVES FOR MURMANSK

LD110101 Moscow TASS in English 0856 GMT 11 Jun 87

[Text] Moscow June 11 TASS -- TASS correspondent Nikolay Konstantinov reports from the Sibir atomic ice-breaker:

The flag of a new Soviet drifting station, the North Pole -- 29, has been hoisted over an ice-floe in the northern part of the Laptev Sea and the first weather broadcast has already been received from that Arctic region which has so far been little explored and is difficult of access.

The setting up of a new Soviet scientific centre in the polar ice has ended the Sibir's more than a month-long high latitude scientific expedition, unprecedented in the history of Arctic navigation, across northern seas and the central Polar basin.

The ice-breaker has evacuated the drifting station "SP-27" in the Western sector of the Arctic Ocean and reached the North Pole in free drifting. Scientists on board the Sibir made many scientific observations and carried out a lot of experiments.

The Sibir will continue the research on its way to Murmansk, the port of registration, where it set off this morning.

CORRECTION TO ICEBREAKER REACHES NORTH POLES

The following correction pertains to the item headlined "Atomic Icebreaker Sibir Reaches North Pole" published in the 26 May Soviet Union DAILY REPORT, page U 2:

paragraph two, first line: ...icebreaker Sibir, on a high-latitude scientific voyage in...(changing "high-altitude" to "high-latitude")

last paragraph, first line: ...Sibir continued its high-latitude voyage as scheduled...(changing "high-altitude" to "high-latitude")

BRIEFS

NEW SOVIET MULTIPURPOSE COMPUTER -- Moscow June 9 TASS -- A new Soviet small-size multipurpose computer, ES-1007, can operate under temperatures ranging from plus ten to plus 50 degrees centigrade. It is meant for computer networks uniting a large number of electronic machines hundreds of kilometers apart. The new computers can be used in key points of such pools as regional switching centers or as fast-speed primary data processors. [Text] [Moscow TASS in English 1548 GMT 9 Jun 87 LD]

CONFERENCE OF ASTROPHYSICISTS -- Moscow, 9 Jun (TASS) -- Soviet spacecraft of a new generation will assist in implementing a unique international project in the field of an extra-atmospheric X-ray and gamma astronomy, which is scheduled for the early nineties. Its discussion has been opened by participants of a conference which got underway today at the Space Studies Institute attached to the USSR Academy of Sciences. Among them are leading scientists of the USSR and Intercosmos program member countries, as well as of Great Britain, Denmark, Italy, the Netherlands, the United States, France, the FRG, Japan, and the European Space Agency. The project is referred to as "Spektr-Rentgen-Gamma". The first "Spektr" series satellite for planetary and astrophysical observations will place two and a half tonnes of apparatus in a high-apogee orbit in 1991-92. Its task will be taken over by an orbital automatic observatory similar to the module "Kvant". Scientists will be capable of doubling the weight of a complex of instruments on board for the research of the universe. [Text] [Moscow TASS International Service in Russian 1007 GMT 9 Jun 87 LD]

HYPERSONIC PLANE MODEL -- A mockup of a new Soviet hypersonic airplane has been displayed at the International Aviation Exhibition at Bourget. Looking at the mockup, it is difficult to imagine that it is capable of covering the distance between Moscow and Tokyo in less than 2 hours. The hypersonic airplane has little resemblance to other airplanes. It has an elongated and pointed fuselage and variable-sweep wings -- a semi-rocket shape, in a word. The shape is justified since the aircraft is to fly at speeds 5 to 6 times faster than sound. Three hundred passengers will be able to travel aboard the hypersonic airplane at a time. It will be made airborne by a combined engine using cryogenic fuel. [Text] [Moscow Domestic Service in Russian 1800 GMT 13 Jun 87 LD]

OIL SPILL REMOVING SERVICE -- Murmansk June 14 TASS -- A service to remove oil spills at sea has begun to function at the port of Murmansk. The first ship of a new flotilla is the motorship "Umka" which has been made by the shipbuilders of the Polish People's Republic on an order placed by the Soviet Union. The ship is fitted out with all necessary facilities for prompt removal of oil spills in the Arctic seas. It will be used by Marine geologists who prospect for oil and gas in the shelf zone of the Soviet Arctic region. [Text] [Moscow TASS in English 1101 GMT 14 Jun 87 LD]

MARSHAL KURKOTKIN ADDRESSES KOMSOMOL FORUM

PM120929 Moscow KRSNAYA ZVEZDA in Russian 11 Jun 87 First Edition p3

[Report by Major S. Petrov under general heading: "Komsomol Aktiv Meetings"]

[Text] Red Banner Belorussian Military District -- A frank, businesslike discussion on restructuring Komsomol work in the light of the demands made by the party and the 20th Komsomol Congress has taken place at a meeting of the district Komsomol aktiv.

The report by Major N. Poboykin, assistant chief of the district political directorate for Komsomol work, and the speeches by Lieutenant General A. Kolinichenko, member of the military council and chief of the district political directorate, Major General V. Khrobostov, deputy chief of the Soviet Army and Navy Main Political Directorate Propaganda and Agitation Directorate, S. Lobanov, secretary of the Belorussian Komsomol Central Committee, Senior Lieutenant I. Gasan, Sergeant A. Kovalevskiy, and others gave an exacting analysis of the style of activity of Komsomol organizations with regard to the communist education of young army personnel and the mobilization of servicemen to worthily greet the 70th anniversary of the Great October Revolution.

The meeting of the district Komsomol aktiv was addressed by Marshal of the Soviet Union S. Kurkotkin, USSR deputy defense minister and chief of the USSR Armed Forces Rear Services.

REAR ADMIRAL DISMISSED FOR MISMANAGING NAVAL EXERCISE

PM150851 [Editorial Report] Moscow KRSNAYA ZVEZDA in Russian 11 June 1987 First Edition front-pages a 1,200-word editorial under the heading "Avoiding Accidents at Sea. The Special Role of the Commander" on the safety of ships during voyages. Discussing the point made in the title of the article, the editorial says "the reliability of ships, equipment, and arms is not only determined by their structural qualities but also to a very large extent by the level of professional expertise of the commanders and the crew and their profound awareness of their responsibility for the ship and for the fulfillment of their tasks."

Discussing the issue of irresponsibility, the editorial observes that "Rear Admiral L. Golovko was recently dismissed for flagrant violation of guidance documents and safety measures while organizing and conducting naval exercises. As an analysis of the situation at sea has shown, many officers upon whom its outcome depended were lacking in the professionalism which manifests itself in decisive action, expertise, discipline, efficiency, prudence, and realism in the assessment of the situation and the possible consequences. The lack of this professionalism and the sense of responsibility expected of a commander and party member did not come about suddenly but had been noted in the officers in question by senior commanders, political organs, and party organizations at an early stage. But it did not always receive a principled appraisal."

"The restructuring process is bringing a considerable number of problems to light in this respect," the editorial concludes. Consequently, "the main task is to enhance the ideological tempering and professional competence of the commander, regulate his service time, release him from minor concerns not germane to his position, and give him greater independence in the process of training and educating his subordinates."